

In the Matter of:)
)
Business Meeting)
_____)

APPEARANCES

Commissioners Present

Karen Douglas
David Hochschild
Andrew McAllister
Janea Scott

Staff Present:

Rob Oglesby, Executive Director
Michael Levy, Chief Counsel
Blake Roberts, Public Advisor
Harriet Kallemeyn, Secretariat
Kevin W. Bell, Senior Staff Counsel

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Joseph Merrill	5
Le-Quyen Nguyen	6
Christa Salo, Staff Counsel	6
Guido Franco	7
Karen Perrin	8, 9
Haile Bucaneg	10
Shahid Chaudhry	11
Jared Cacho	12
Andre Freeman	13

Also Present

Interested Parties (* Via WebEx)

*Michael Dolen, Resident, Manhattan Beach	3
John McKinsey, Locke Lord, LLP	3
Chris Ellison, Ellison, Schneider & Harris	4
Valerie Winn, PG&E	6
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P R O C E E D I N G S

APRIL 10, 2013 10:08 a.m.

COMMISSIONER DOUGLAS: All right, good morning everyone. Welcome to the Energy Commission Business Meeting of April 10, 2013.

Please join me for the Pledge of Allegiance.
(Whereupon, the Pledge of Allegiance was recited in unison.)

COMMISSIONER DOUGLAS: All right, thank you. I've got a couple announcements before we begin. Of course, I'm chairing this meeting today because Chairman Weisenmiller is in China, with the Governor, on a trade mission. And so he will be back for the next Business Meeting and we'll look forward to having him back then.

I wanted to start by introducing our new Commissioner, Janea Scott. She's here from -- it's her second day.

(Applause)

COMMISSIONER DOUGLAS: So, we are really delighted to have Commissioner Scott on board. And I wanted to say a few words and maybe give my colleagues an opportunity to say a few words.

I've known Janea for years. She and I worked together at Environmental Defense Fund. I worked in the

1 Sacramento office and she was in the Los Angeles office,
2 so we were colleagues in EDF for a couple of years.

3 She and I have pretty similar educational
4 backgrounds, too. I did a law degree at Stanford and a
5 master's degree at University of Colorado.

6 And, let's see, Janea, I'm going to get this
7 wrong, undergrad at Stanford and law degree at University
8 of Colorado, correct?

9 (Laughter)

10 COMMISSIONER DOUGLAS: So, in any case, when I
11 left EDF to -- because I was appointed to the Energy
12 Commission, I was really delighted when Janea took a
13 position with the Department of Interior as one of the
14 advisors, you know, working with the Secretary's Office in
15 the Department of Interior. And we worked together very
16 closely for a number of years on permitting renewable
17 energy projects, on the coordination between the Energy
18 Commission, the California Department of Fish and Wildlife,
19 and Federal agencies, Bureau of Land Management, Fish and
20 Wildlife Service, the Department of Interior, and the
21 Governor's Office.

22 So, in years of regular meetings and
23 collaboration on the review of renewable energy projects in
24 California, through the Renewable Energy Action Team, and
25 the Renewable Energy Policy Group, and the Desert Renewable

1 Energy Conservation Plan we had the opportunity to work
2 together.

3 I know that we are getting a tremendous new
4 Commissioner here. It's a great gain for the Energy
5 Commission and so I'm delighted, Janea, to have you on
6 board. And we'll give you a chance to take the mic in a
7 minute. I just wanted to see if Commissioners Hochschild
8 and McAllister wanted to say anything?

9 COMMISSIONER HOCHSCHILD: Sure. Well, I had the
10 opportunity to meet Janea for the first time last week and
11 we had lunch together.

12 One thing I noticed is it's really just a great
13 thing to be a part of a team with such complementary skill
14 sets. I really feel everybody is bringing a unique and
15 complementary set of skills to the team.

16 And Janea, I, in particular, am really looking
17 forward to working with you.

18 After we had lunch I went over to invite her to
19 join on this tour of Diablo Canyon Nuclear Plant, which
20 we're going to do together in a few weeks, and look forward
21 to working with you for many years to come.

22 COMMISSIONER MC ALLISTER: Well, I'll just pile
23 on. We actually -- we met a couple -- a few weeks ago,
24 actually, when you were still with Interior, but I think
25 the appointment had been made, and then we had lunch

1 yesterday. And so, I'm now flanked by the -- my office is
2 now flanked by the two newest Commissioners, which is
3 fabulous because I --

4 COMMISSIONER HOCHSCHILD: There goes the
5 neighborhood, right.

6 (Laughter)

7 COMMISSIONER MC ALLISTER: It's very nice.
8 Anyway, I agree with everybody's comments so far, I think
9 it's just terrific to have also the Washington insight, and
10 kind of, also, some additional national perspective.

11 And, really, just to, I think -- you know, I was
12 struck by Janea's public service ethic and, really, the
13 recognition and sort of message that wasn't -- you know,
14 personally, it's always difficult to make a big change but,
15 really, a lot is happening in California that isn't
16 happening anywhere else, and this is a place for both, I
17 think, professional reasons and just for the general public
18 good is a place where you can actually do something as a
19 Commissioner, and have an impact.

20 And I think that's a part of the reason I'm here
21 and I think it's part of a reason a lot of not only
22 Commissioners, but also staff are here, because we're doing
23 something important.

24 And I think having a full slate of Commissioners,
25 I'll just channel Chair Weisenmiller here, is huge for the

1 Commission because it's been a while since that was the
2 case. And I think we'll all be able to just be that much
3 more effective in focusing on our policy areas, and so I'm
4 really looking forward to, you know, handing Janea a whole
5 bunch of things. No. But working as a team and really
6 utilizing our resources optimally, so I think that's huge.
7 On a number of levels, I'm really happy to have
8 Commissioner Scott here.

9 COMMISSIONER SCOTT: Well, good morning
10 everybody. I am just delighted to be here. I'm so excited
11 for this opportunity and to get to work with this wonderful
12 set of Commissioners, and all of the professional and
13 dedicated expert staff that we have here at the Commission.
14 I'm really looking forward to that.

15 I'm also looking forward to working with you, all
16 of our stakeholders, who are interested in the important
17 business that takes place here at the Commission.

18 So, I look forward to getting to know everybody
19 and to rolling up my sleeves and jumping in to help lead
20 the way on some transmission issues, and transportation,
21 and other topics that I'll probably be working on.

22 Maybe I should have left that to the Vice-Chair.
23 But I'm very excited to be here, so thank you for your kind
24 words.

25 COMMISSIONER DOUGLAS: Well, we are delighted to

1 have you.

2 I did want to say, on behalf of the Chair, a
3 couple of the assignments that Commissioner Scott will
4 have. But, of course, we are going to need more time and
5 he is going to need to return from the Trade Mission before
6 we finalize the full range of assignments. But for sure we
7 will be looking to Commissioner Scott to lead our efforts
8 in the transportation side, so AB 118 implementation, and
9 alternative fuels and alternative vehicles will be one area
10 where she'll take the lead for us.

11 And we're also looking for her to take the lead
12 for us in a number of our west wide collaborative
13 endeavors, such as the WIEB, Western Interstate Energy
14 Board, and the work with WECC, and other regional agencies.

15 So, that's -- those are two areas. We'll work
16 out more when the Chair returns from the Trade Mission.

17 So, anyway, with that again welcome.

18 Still in the announcements side of the agenda, I
19 am delighted to say that we're about to share the latest
20 video to be added to the Energy Commission's YouTube
21 account, featuring Commissioner McAllister.

22 The video discusses the Commission's Bright
23 Schools Program to improve energy efficiency in our State
24 schools.

25 The program provides interested schools with

1 \$20,000 to conduct energy audits, review existing
2 proposals, identify cost-effective energy saving measures,
3 and assist with contractor selection.

4 The Bright Schools Program helps K-12 schools
5 find ways to reduce their energy consumption and save
6 money.

7 Applications are on a first-come/first-served
8 basis.

9 Next fiscal year the program budget will be \$2
10 million. It's now at \$1.4 million. And the filing date is
11 open ended.

12 Special acknowledgements go to the creative team
13 from the Commission's media office, Katie Kukulka, Michael
14 Wilson, and Grant Mack on the Chairman's staff, and our
15 esteemed narrator of the video, who will be identified
16 after we get to hear the video.

17 Commissioner McAllister, is there anything that
18 you'd like to add on this, given that you are the featured
19 spokesperson in this video?

20 COMMISSIONER MC ALLISTER: Yes, we'll be going on
21 tour, we'll be doing a number of stops. No.

22 (Laughter)

23 COMMISSIONER MC ALLISTER: I want to just
24 emphasize the Bright Schools and it's complementary
25 financing program ECAA, and there are a few projects on the

1 agenda today that ECAA funds, as just really stellar
2 programs for correcting some difficulties in the
3 marketplace. Schools are hard-pressed to come up with
4 resources to do projects, and to scope those projects,
5 particularly, and that's what Bright Schools helps them do.

6 And it's a relatively small amount of money that
7 can have -- that does have huge impacts.

8 And so, I think it's being looked at as a model
9 for additional funds, or different kinds of funds, and I
10 think it is an infrastructure that the State is really
11 well-served by, and I'm happy to be part of this.

12 And, largely, it's energy efficiency, with a
13 renewables component, as well, and not only schools, but
14 also we do similar work with public buildings across the
15 State.

16 So, I think it's a really great resource and more
17 people should be using it. And, really, it's only, I would
18 say, touching the tip of the iceberg as far as the need
19 that's out there.

20 So, anyway, I won't comment further, you'll
21 assess the video on its merits, I'm sure.

22 COMMISSIONER HOCHSCHILD: If I could just say one
23 thing to my YouTube sensation colleague here, which is I
24 actually think this is an important effort to do this kind
25 of thing because, I will say, you know, having been

1 involved in the energy world in California for quite some
2 time I have not -- I hadn't heard of the -- did the YouTube
3 sensation just knock out the power there?

4 (Laughter)

5 COMMISSIONER HOCHSCHILD: Great. Keep your day
6 job, man.

7 So, no, but the ECAA Program, I had not even
8 heard of that program before I started here a month ago.
9 And, you know, I was really encouraged to learn they've
10 done almost 800 projects over the last 25 years, have not
11 had a single default in the entire history of the program,
12 and it's managed by just six staff.

13 And I think this is a great success story. I
14 think part of what we need to do, in new ways, is tell that
15 story and get -- you know, let potential recipients know
16 this is available, and what the benefits are. So, I think
17 this is an important part of that outreach.

18 COMMISSIONER DOUGLAS: Great. So, with no
19 further ado, let's air the YouTube piece.

20 (Video is shown)

21 COMMISSIONER DOUGLAS: All right. Well, thank
22 you very much. Thank you, Commissioner McAllister, for
23 your work on the video.

24 COMMISSIONER MC ALLISTER: I'll just note that no
25 State resource -- it may be obvious, but I'll state it, no

1 State resources or even any resources were used on makeup
2 and media prep for that.

3 (Laughter)

4 COMMISSIONER DOUGLAS: All right. Well, thank
5 you for that.

6 And Adam Gottlieb, thank you for doing the
7 narration. You've got the voice, it's very good.

8 So, with that one more item in the updates, this
9 is a disclosure. We've got a couple items on the Consent
10 Calendar and also one in our agenda, outside of the Consent
11 Calendar, that are contracts with the University of
12 California.

13 I'd like to disclose for the record that I'm an
14 adjunct professor at the University of California, at King
15 Hall, the UC Davis School of Law, where I'm currently
16 teaching a Renewable Energy Law Seminar.

17 King Hall is a different department than the
18 departments interested in these contracts and, therefore,
19 our Chief Counsel advises that there's no conflict of
20 interest.

21 For the record, I'll also disclose that I'm team
22 teaching this seminar with Chief Counsel Michael Levy, so
23 this disclosure relates to him, as well.

24 And with that let's get into our agenda, Item 1,
25 Consent Calendar. Do we have a motion?

1 COMMISSIONER HOCHSCHILD: So moved.

2 COMMISSIONER MC ALLISTER: I'll second.

3 COMMISSIONER DOUGLAS: All in favor?

4 (Ayes)

5 COMMISSIONER DOUGLAS: The item passes
6 unanimously.

7 Item 2, we have nothing on Item 2.

8 So, we'll go Item 3, El Segundo Power
9 Redevelopment Project Complaint. Consideration of an
10 appeal -- that's Item 3. Consideration of an appeal filed
11 under Title 20, California Code of Regulations, section
12 1237(f), by Michael Dolen concerning the El Segundo Energy
13 Center Project.

14 And so, Hearing Officer Renaud.

15 MR. RENAUD: Good morning, Commissioners. I'm
16 Raoul Renaud, the Hearing Officer assigned to this matter.
17 Let me begin by apologizing in advance for the way I sound.
18 I've been home the last couple of days battling a bad cold.
19 So, if I break -- I'll try not to break into any coughing
20 spasms and I've got my hot tea here just in case.

21 A little background on this matter for you, the
22 El Segundo Energy Center Dry Cooling Amendment Project was
23 approved by the Energy Commission on June 30, 2010.

24 Project construction began on June 6th, 2011, and
25 the facility is currently, approximately 75 percent

1 complete.

2 Michael Dolen, a resident of Manhattan Beach,
3 filed a complaint under section 1237 of our regs, alleging
4 that the project owner has deliberately mislead the
5 surrounding community concerning the project's visual
6 impacts, and that a previously undisclosed beach front
7 parking lot is being constructed at the southern end of the
8 project site.

9 Dolen asks that the CEC compel the project owner
10 to do three things. One, provide a visual simulation with
11 a vantage point from the strand and 44th Street.

12 Two, cease planned construction of the parking
13 lot.

14 And, three, work jointly with the City of
15 Manhattan Beach to create and execute a plan for visually
16 acceptable camouflage.

17 Commission staff reviewed the complaint and on
18 January 25, 2013 issued its recommendation that the
19 compliant be dismissed.

20 With respect to each of the above requests, the
21 reasons given by staff for its recommendation were, first,
22 the visual simulations used during review of the amendment
23 provided an appropriate number of vantage points, including
24 one, which was KOP 9, from 45th Street that represents the
25 views of some 166 homes in the City of Manhattan Beach.

1 As to the second complaint, the alleged parking
2 lot is actually an overflow parking area that will be used
3 only during maintenance operations and is approved under
4 Condition of Certification Land 6.

5 And as to the third, the project owner has been
6 working with the City of Manhattan Beach, as required by
7 Condition of Certification VIS-2, and has established a
8 Landscape Committee, which includes voting members from the
9 City of Manhattan Beach.

10 In addition, staff pointed out that the matters
11 alleged in the complaint were the subject of ongoing
12 discussion, negotiation and design work, and that the
13 complaint, therefore, was prematurely filed.

14 Based on the staff recommendation, Chair
15 Weisenmiller issued an order dismissing the complaint
16 without prejudice. Without prejudice meant that Mr. Dolen
17 could refile the complaint at a later time should the
18 issues not be resolved.

19 In addition, the Chair's order encouraged Mr.
20 Dolen to work with Ms. Laurie Jester, of the City of
21 Manhattan Beach, to resolve his concerns.

22 Mr. Dolen then filed this appeal asking the
23 Commission to overturn the Chair's order. Under section
24 1237(f) the Commission has four options.

25 It can, one, affirm the Chair's order; two,

1 modify it; three, overturn it or; four, remand the matter
2 for further hearings.

3 Overturning the order would have the effect of
4 nullifying the dismissal. The complaint would then still
5 be viable and it would be appropriate, then, to appoint a
6 committee and schedule evidentiary hearings.

7 This Business Meeting is not the forum for such
8 hearings. Before the Commission today is simply whether or
9 not to affirm the Chair's order. And if the Commission
10 should choose not to affirm that order, whether to modify
11 it, overturn it, or remand the matter for further hearings.

12 I don't know if Mr. Dolen has phoned in or is
13 present, but he may wish to speak if he is.

14 All right, I understand Mr. Dolen is listening
15 in, but has not indicated a desire to speak. That's all I
16 have.

17 COMMISSIONER DOUGLAS: Thank you. Mr. Dolen, if
18 you are on the line and would like to speak, you're welcome
19 to speak at this time.

20 MR. DOLEN: Yes, this is Michael Dolen. Can you
21 hear me?

22 COMMISSIONER DOUGLAS: Yes, we can.

23 MR. DOLEN: Okay, great. Sorry about that, I
24 pressed a button and I didn't mean to do that.

25 Yeah, so about this matter, Title 20 requires

1 that the project site be visually depicted. This is
2 explicitly detailed in Title 20.

3 And the problem with this parking lot is it is
4 not visible from any of the KOPs filed with the State, and
5 that the public relied upon.

6 So, the public relied upon these simulations and,
7 you know, from any angle you look at you do not see this
8 parking lot.

9 So, the public was led to believe, because
10 there's green -- you know, there's green shrubbery, and
11 trees, et cetera, that it just simply wouldn't be visible.
12 Because this parcel is a 9-acre parcel, where you granted
13 them written permission to build a parking lot, which is
14 absolutely correct. From day one I've been in agreement
15 with that, they have a right to build a parking lot within
16 that 9-acre space.

17 But they also are obligated by Title 20 to follow
18 the law and build what was presented in their filings,
19 which did not show the parking lot in any of the
20 simulations, anywhere, and the public did not know this.

21 And, you know, you have everyone up in arms about
22 this. As you see, I have a quote from the Mayor of
23 Manhattan Beach about this.

24 It's like, you know, the public was led to
25 believe something that was just simply not the case.

1 And so, what I'm simply saying is that they have
2 a right to build this parking lot, that's absolutely
3 correct, but they also have to build it in a way that is
4 compliant with Title 20, which is the photographic
5 simulations, and since those don't show the parking lot
6 that means they need to come up with some kind of
7 camouflage plans.

8 You know, I've presented a number of ideas. Of
9 course, I'm not expert on that, so they can do whatever
10 they want to accomplish that. But, you know, they could
11 move the location in that 9-acre parcel so maybe it's not
12 so visually prominent.

13 You know, there's any number of ways but the
14 bottom line is whether it's an overflow parking lot -- you
15 know, the bottom line is this, they have -- they have to
16 follow Title 20. There's no parking lot depicted
17 whatsoever in this area.

18 And this is a very prominently visual location.
19 First of all, the elevation is raised above the strand, you
20 know, I'm guessing probably 15 feet or so. I don't have
21 the exact measurement, that's just a guess.

22 But, you know, this is like up on a pedestal,
23 basically. So, you're looking at a parking lot on a
24 pedestal. So, this is not some like obscure parking lot.

25 And this doesn't just only affect the residents

1 here. This is a public parking lot here for beachgoers.
2 I mean, this affects, you know, the entire community.
3 People come from all over. This is like, you know, the
4 most popular surfing spot in Los Angeles County and, you
5 know, they're desecrating it. And I would like to hold
6 them accountable and just simply say that this parking lot,
7 you know, needs to be built in a manner that's compliant
8 with their Title 20 -- with the law, and that's what I'm
9 requesting.

10 And as far as being a premature complaint, I'm
11 not sure that it is because I guess the question is when
12 does construction start? I guess the definition may vary
13 because, you know, they're currently excavating the area
14 and, you know, prepping the area to build a parking lot.
15 So, when do you count construction? Do you start it when
16 they start laying the asphalt or do you count it when they
17 clear the area above? I don't know.

18 But, I mean, for everyone's sake I think it's
19 best if we just address this matter now, including for
20 energy so then they can -- you know, so they don't have to
21 build a parking lot and then rip it down, like they did
22 with that berm, which also violated Title 20, that they're
23 presently having to, you know, modify.

24 COMMISSIONER DOUGLAS: Thank you, Mr. Dolen.
25 Anything else or is that it?

1 MR. DOLEN: I'd be happy to take any questions
2 about the matter, if you have any.

3 COMMISSIONER DOUGLAS: Super, thank you.

4 Is there anyone from NRG who would like to speak
5 on this matter?

6 MR. MC KINSEY: Good morning, Commissioners, John
7 McKinsey with Locke Lord, counsel for the project owner,
8 which is El Segundo Energy, LLC -- El Segundo Energy
9 Center, LLC. It's a subsidiary of NRG.

10 I've appeared before two of you before, related
11 to this project. And I think I said then that the visual
12 sensitivity, looking at the project from the south, is
13 throughout the entire permitting process of the project was
14 of great importance and it remains to this day as something
15 that NRG is very committed and sensitive to, and is
16 continuing its work closely with the El Porto community of
17 Manhattan Beach, which Mr. Dolen is a member of, as well as
18 the City of El Segundo, the staff, the City, County of Los
19 Angeles, and several other organizations.

20 And we understood, and I think the Hearing
21 Officer's explanation was very correct, which is that this
22 should be a procedural hearing of the question of whether
23 or not the decision to dismiss was correct or not.

24 So, we're not going to make any comments that
25 really address the substance of Mr. Dolen's comments today

1 and we would simply say that it was correct to dismiss the
2 complaint, and we recommend that you maintain that
3 dismissal.

4 COMMISSIONER DOUGLAS: Thank you.

5 Finally, staff.

6 MR. BELL: Kevin W. Bell, Senior Staff Counsel,
7 on behalf of staff.

8 Likewise, staff is not going to comment on the
9 substance of Mr. Dolen's latest appeal. Staff has read and
10 considered the Chairman's order dismissing the complaint
11 and supports that order, and asks that the Commission
12 affirm that order today and deny Mr. Dolen's appeal.

13 COMMISSIONER DOUGLAS: Thank you, Mr. Bell.

14 And just as one further question, if you could,
15 my understanding is, of course, one reason why staff's
16 position was that this complaint was not ripe is that there
17 is a process going on with the community as a result of the
18 settlement. And so there is some effort to work out issues
19 around the landscaping and the berm.

20 Could you just speak to that process, briefly?

21 MR. BELL: The process -- well, what's in place
22 now with the commission that's looking into some potential
23 mitigation for this project would have been the end result
24 of a complaint proceeding in any event. At this point that
25 process is ongoing. I know that they're working on

1 possible outcomes with the City of Huntington Beach and
2 staff feels that it's best to let that run its course,
3 first, before any complaint is filed as to the eventual
4 outcomes of that process, which we don't know what those
5 outcomes are going to be, yet.

6 COMMISSIONER DOUGLAS: Thank you.

7 So, Commissioners, I'll speak briefly to this and
8 then let's see if anyone has any additional questions for
9 any of the parties here.

10 Because I asked Mr. Bell to expand on the
11 question of the current process underway because I wanted
12 to just underscore that, at least my understanding of the
13 Chair's rationale here, is that the complaint is not ripe
14 because there is actually a process underway that may, in
15 fact, resolve the issues that Mr. Dolen has raised.

16 Now, we don't know, today, if his issues will be
17 fully satisfied or not in that process. And he -- the
18 complaint -- the Chair dismissed the complaint without
19 prejudice, leaving him the opportunity to re-raise the
20 complaint if he believes, after any additional mitigation
21 that might be agreed upon is in place -- if he believes
22 that that's not satisfactory, he's got the opportunity to
23 raise the complaint again.

24 Just from a practical stand point, it's very hard
25 to hold hearings on a substantive issue without actually

1 knowing how that potential additional mitigation, if any,
2 is -- you know, just what it is.

3 And so, I strongly agree with the Chair's
4 decision that this issue is not ripe.

5 Mr. Dolen, I want you to understand that when we
6 say dismiss or when the Chair said dismiss without
7 prejudice that really means that what we hope you do is
8 that you engage and work in this process, and you try to
9 get those issues resolved. And if they're not resolved,
10 you have the opportunity to come back to the Commission
11 with a clean slate so to speak.

12 So, that's really the rationale, as I understand
13 it, behind the Chair's action. And I support the Chair's
14 action, but at this point I want to see if any of the other
15 Commissioners have questions or comments they'd like to
16 make.

17 Do we have a motion?

18 COMMISSIONER MC ALLISTER: I'll just say quickly
19 that I agree with Commissioner Douglas that the process can
20 capture this and, hopefully, will. And, certainly, staff
21 is expected to make sure that that happens in the
22 monitoring process.

23 And so there is -- there is a process. We
24 absolutely respect the desire of the community and to get
25 it right, to have NRG get it right and meet its

1 commitments. And so, I think that's a -- we're obviously
2 very serious about that.

3 And without prejudice means exactly that, so this
4 is an ongoing topic and this is not a conclusion of it.

5 So, I'll move Item 3.

6 MR. DOLEN: May I have any additional comments?

7 COMMISSIONER DOUGLAS: Go ahead.

8 MR. DOLEN: Okay. Well, thank you for explaining
9 that. My concerns are, though, you know, I've addressed --
10 in the components of my complaint, which are subjective in
11 nature, and I understand that.

12 But, you know, I address things that are -- they
13 violated Title 20. For example, in the amended decision
14 they presented a simulation saying that here's a prior
15 simulation from 2005, when it was totally different.

16 And you see that -- I do an overlay of those
17 images in my original complaint and you can see that. I'd
18 like to know why these issues aren't being address.

19 You have, you know, a multi-billion dollar
20 company just filing incorrect filings, you know, with you
21 guys and with the State that the public relies upon and
22 these are blatantly incorrect and, you know, how are they
23 getting away with this?

24 If this was the other way around and I was filing
25 false things and saying, oh, this was approved, when it

1 wasn't, I mean that just wouldn't fly. I'd like to know
2 why they're just skating away with all these violations
3 I mean, like I said, these violations -- I'm not
4 referring to things which are subjective in nature, I'm
5 referring to the two black and white things, which are one
6 was that, which I said the difference in the simulation,
7 saying -- claiming they were approved in 2005, when it
8 wasn't, it was a completely different tree line.

9 And the second one is this parking lot saying --
10 you know, it's nowhere depicted, visually nowhere, you
11 won't find it anywhere.

12 COMMISSIONER DOUGLAS: Thank you, Mr. Dolen.

13 MR. DOLEN: And so, I'd like to know why that's
14 allowable for them to -- even further more in my appeal I
15 bring up the fact that the Commission will not, you know,
16 evaluate any material outside the filings, or any
17 statements said, at least that's the way I interpreted it.

18 And with all due respect, I don't think that's
19 fair because NRG sent out these mailers with a different
20 simulation, and I included a picture of that in my original
21 complaint and, you know, you guys are saying you won't look
22 at it, and it's because it's not part of the filing
23 process.

24 So, it's like how I interpret it, they can just
25 go through and send mailings as deceptive as they want, and

1 say whatever they want to residents and that's okay
2 because if it's outside the filing process and it's outside
3 your guys -- you know, your files, you won't have anything
4 to do with it.

5 And, you know, like I said in my appeal that's a
6 very dangerous precedent you're setting, just opening the
7 floodgates for them to do whatever they want and just get
8 away with it, because you guys have said on paper you won't
9 do anything about it, because it's outside of the
10 regulatory environment.

11 And I don't understand. And please tell me who
12 is in charge of that, who I should go to for this.

13 COMMISSIONER DOUGLAS: So, Mr. Dolen, I want to
14 suggest that you work closely with staff and definitely
15 communicate your concerns to them.

16 You know, Chris Marxen, our compliance manager is
17 here, should we send him to you or who should we -- okay,
18 so we'd like you to work with Chris Marxen, and we'll work
19 offline, so to speak, to get you his contact information
20 and make sure you can talk to him.

21 As we noted before, you have the ability, once
22 the open matters that are a result of the settlement
23 discussions are resolved, to come back to us if you're not
24 satisfied with the resolution and if you still wish to
25 raise a complaint.

1 Mr. Oglesby?

2 MR. OGLESBY: I'd just like to add that we also
3 have an Office of Public Adviser that will help
4 participants in a siting case find the appropriate avenues
5 to participate.

6 COMMISSIONER DOUGLAS: Thank you. Is Blake here
7 by any chance? Blake, so have you been in touch with Mr.
8 Dolen?

9 Okay, yeah, he said yes, he has. Okay, so Mr.
10 Dolen, you know that you have recourse there, as well, to
11 get help navigating the process.

12 So, with that, let me see if there's a motion on
13 this item.

14 COMMISSIONER MC ALLISTER: Okay, let's see here,
15 so move Item 3 to affirm Chair Weisenmiller's order on
16 February 25, dismissing without prejudice the complaint.

17 COMMISSIONER SCOTT: Seconded.

18 COMMISSIONER DOUGLAS: All right, we have a
19 motion and a second. All in favor?

20 (Ayes)

21 COMMISSIONER DOUGLAS: This item passes
22 unanimously.

23 Item 4, Gilroy Cogeneration Project; possible
24 approval of -- 84-AFC-4C, possible approval of petition to
25 amend the Gilroy Cogeneration Project to install two new

1 Selective Catalytic Reduction units on the project's two
2 auxiliary boilers. Craig.

3 MR. HOFFMAN: Good morning, Commissioners. My
4 name's Craig Hoffman, I'm your Compliance Project Manager
5 on the Gilroy Cogeneration Project. With me is Senior
6 Staff Counsel Kevin Bell. As well, in the front row we
7 have Nancy Fletcher, who is our Air Resources Engineer on
8 this project.

9 Staff is requesting that the California Energy
10 Commission adopt an order approving the petition to modify
11 the Gilroy Cogen decision to adopt new proposed and revised
12 conditions of certification.

13 A little background on the project; on December
14 12th, 2012, Calpine Gilroy Cogen filed a petition with the
15 Energy Commission to amend the 1985 Commission decision
16 approving the Cogeneration Project.

17 On February 13th, 2013, a revised petition was
18 filed to reflect new permit to operate requirements that
19 will be required by the Bay Area Air Quality Management
20 District.

21 The Gilroy Cogeneration Project is a 115-megawatt
22 natural gas-fired power plant located in the City of
23 Gilroy, in Santa Clara County.

24 The project was certified by the Energy
25 Commission on November 13th, 1985, and began commercial

1 operation in May 1988.

2 The petition requests authorization to install a
3 Selective Catalytic Reduction system on each of the two
4 auxiliary boilers. This installation would allow these
5 boilers to comply with the Bay Area's In-State
6 Implementation Plan revisions that establish lower emission
7 limit for nitrogen oxide on industrial, institutional and
8 commercial boilers, steam generators, and process heaters.

9 The modification will result in a decrease in the
10 hourly and annual NOx emissions for this project.

11 Staff determined that air quality would be
12 affected by the proposed project changes and has proposed
13 Conditions of Certification AQ-SC-1 through AQ-SC-7 and
14 modifications to Air Quality Condition 1.3 in order to
15 ensure compliance with LORS and reduce potential
16 environmental impacts to less than significant level.

17 The seven new conditions and one modified
18 condition require the power plant to operate consistent
19 with the new NOx standards.

20 On February 22nd, 2013, a Revised Notice of
21 Receipt was docketed and posted to the website, as well as
22 mailed out to the mail list.

23 And on March 25th, 2013, the staff analysis was
24 mailed to interested parties, docketed, and posted with the
25 website with a 14-day comment period.

1 To date there have been no public comments that
2 have been sent to myself, to the Public Adviser, or
3 docketed.

4 And staff is available to answer any questions
5 you may have, thank you.

6 COMMISSIONER HOCHSCHILD: So, I just toured,
7 actually, the Calpine facility in Pittsburgh last week,
8 with my staff, and saw for the first time an SCR unit.

9 Can you help me understand, I know there's a NOx
10 reduction associated with this, how significant a reduction
11 are we talking about?

12 MR. HOFFMAN: And let me have our Air Resources
13 Engineer for that.

14 MS. FLETCHER: Hi, I'm Nancy Fletcher. So, the
15 amount of NOx reduction expected from this, if you look at
16 the last two years of production it did vary how much NOx
17 was put out by these boilers.

18 The current limit is 30 ppm. The new limit will
19 be 5 ppm. So, that's an 83 percent reduction, which is
20 expected to translate, but based on the last two years'
21 production, between 2 and 4 tons of NOx per year.

22 COMMISSIONER HOCHSCHILD: And, roughly, what's
23 the lifecycle of these SCR units? Is this a 20-year -- I
24 mean, how long do they last?

25 MS. FLETCHER: Usually, each system it depends.

1 And there's a Continuous Emission Monitor, which is
2 required to be installed, so that will be monitoring the
3 NOx levels from these boilers.

4 And so once -- you can really tell when it
5 will -- the effectiveness of the Catalyst based on these
6 Emission Monitors, and they get switched out prior to
7 violating the standards.

8 COMMISSIONER HOCHSCHILD: Uh-hum.

9 COMMISSIONER DOUGLAS: Any other questions or
10 comments, Commissioners?

11 Okay, do we have a motion?

12 COMMISSIONER HOCHSCHILD: I'll move to support
13 the item.

14 COMMISSIONER MC ALLISTER: I'll second.

15 COMMISSIONER DOUGLAS: All in favor?

16 (Ayes)

17 COMMISSIONER DOUGLAS: Item 4 is approved
18 unanimously.

19 Item 5 -- I did fail to call on the applicant, is
20 that -- anything you'd like to add, Mr. Ellison, sorry,
21 before I summarily dismiss this item. I'm sorry.

22 MR. ELLISON: At the risk of snatching defeat
23 from the jaws of victory, let me just welcome Commissioner
24 Scott and say thank you to the Commission for the decision
25 you just made, which we fully support. And just say I

1 think on behalf of, not just Calpine or my law firm, but
2 all of us that appear before the Commission, we are
3 delighted to see the Commission at full strength.

4 COMMISSIONER DOUGLAS: Thank you. Thanks for
5 being here today.

6 All right, Item 5, Aspen Environmental Group;
7 possible approval of Amendment 4 to Contract 700-08-001
8 with Aspen Environmental Group to extend the term by 24
9 months and add \$9 million to complete the Desert Renewable
10 Energy Conservation Plan project.

11 Joseph.

12 MR. MERRILL: Good morning, all. My name is
13 Joseph Merrill. I'm in the Siting, Transmission and
14 Environmental Protection Division.

15 The Energy Commission and the other Renewable
16 Energy Action Team agency staffs are preparing the DRECP
17 with significant contractor support under the Energy
18 Commissions Environmental and Engineering Services Contract
19 700-08-001 with Aspen.

20 This contract budget is now fully subscribed and
21 cannot cover new work efforts unless the contract budget is
22 augmented.

23 The contract is also set to expire on May 31st of
24 this year, which is two years before the Renewable Energy
25 Action Team's scheduled completion date in February of '13.

1 To complete the DRECP effort the subdivision
2 staff seeks to amend Contract 700-8-001 to add two years,
3 which increases the term to six years and extends the end
4 date to May 31st of '15, to add \$9 million, which increases
5 the contract budget from \$24.2 to \$33.2 million, and
6 contract language restricting the scope of new work on the
7 contract to DRECP and related admin activities.

8 And I can answer any questions.

9 COMMISSIONER DOUGLAS: Thank you, Mr. Merrill.

10 So, I'll note that this morning we got a support
11 letter for this item from a number of environmental groups.
12 And so, I don't know if there are -- if any of them are
13 here today or would like to speak on the phone.

14 Harriet, do we have anyone on the phone, on this
15 item? No, okay.

16 But the letter came in and that was very helpful.

17 I wonder, Mr. Merrill, if you could speak to the
18 way that we use the Federal contribution to the DRECP work
19 within the contract, and the likely amount that would be.

20 MR. MERRILL: Yeah, so I believe we received, I
21 think, a total of \$1.7 million so far, and we have \$800,000
22 of that actually will be encumbered into this contract, if
23 this is approved.

24 And then we are hoping, in terms of the
25 leadership of our agency and the Federal REAT Agency

1 staffs, there is an intent to award an additional \$3.5
2 million from the BLM, and that will be most likely next
3 fiscal year.

4 And so to the extent that -- if that doesn't
5 happen, then we would have to kind of evaluate our options
6 in terms of potentially filling it in ourselves, changing
7 the scope, et cetera.

8 COMMISSIONER DOUGLAS: Okay, good. I mean, I've
9 certainly had conversations with BLM and I think that
10 they're firm in their desire to make this happen, so that's
11 a good thing.

12 Commissioners, we've been working on the DRECP
13 for some three years and it's been a long and rather
14 arduous process. It's also -- I know Commissioner Scott
15 can speak to that very well from personal experience, as
16 well.

17 It's also a tremendously important process
18 because this is a real opportunity for us right now to
19 bring together the efforts of the State and Federal
20 agencies, local counties, developers, and other
21 stakeholders into developing a plan that will really show
22 the way for where we do utility-scale renewable energy, and
23 where we really focus our efforts on project development,
24 on getting transmission to these areas, and on conservation
25 to ensure that we have a future that involves both meeting

1 our aggressive renewable energy goals, and opening the
2 door and facilitating a continued investment in renewable
3 energy development within California.

4 And at the same time do that within a framework
5 that allows us to meet our conservation goals, and meet
6 them over a long term. And even incorporating, as we have
7 to, the potential impacts of climate change on desert
8 species, and on the State, and those impacts are already
9 being felt, and they're going to be substantial.

10 So, this is an important effort. We have reached
11 a stage in the process where we are expecting a draft
12 DEIR/DEIS for the document to come out this fall. And I
13 think that after a lot of work, and with a lot of work
14 before us we're in a good place to bring this to fruition.

15 So, with that I do recommend the item for your
16 support. I want to see if, of course, there are other
17 questions or comments on this item. Okay.

18 COMMISSIONER HOCHSCHILD: I move the item.

19 COMMISSIONER MC ALLISTER: I guess, I was just --
20 so, thanks for that background, I really appreciate that.
21 And, obviously, this is a significant contract and it's,
22 obviously, you know, extremely important work to get done.

23 And I guess, you know, I'll just look forward to
24 sort of -- I need to keep myself more up to date on this, I
25 think. But did -- was aware of many of the trials and

1 tribulations over the last -- since I've been at the
2 Commission over the last year or so, and I really
3 appreciate the monumental lift this is and, certainly,
4 Commissioner Douglas's leadership on this.

5 And new Commissioner Scott, as well, from a
6 different hat up to now, but I'm sure will be very
7 interested in seeing this through, as well.

8 So, you know, really very sympathetic to all of
9 the items, all the issues that come up on this, you know,
10 particularly the Federal and State issues, and working
11 through all the different agencies that need to be together
12 in the same room.

13 And the stakeholder -- the processing of the
14 record, the stakeholder engagement, managing that process,
15 getting, essentially, agencies that have a lot of
16 independent authority together and consensus. And that
17 really is kind of the essence of what needs to be done.
18 And, you know, we see that -- and I think, I would venture
19 to say in California that tends to be more doable than it
20 is in D.C., which may not be saying too much at this point.

21 But I think we -- it's really important that we
22 fund and co-fund -- there's significant Department of
23 Energy funds or Federal funds coming to this, as well, but
24 it's really important that we prioritize keeping this
25 platform enabled with appropriate resources so that it can

1 actually happen.

2 Because if we don't do that, we know that it will
3 not happen.

4 And I think just underscoring the upside to
5 California for getting this done and enabling large-scale
6 renewables to come to fruition in a way that really,
7 seriously mitigates, and mitigates all of the potential
8 downsides, that understands, from a scientific perspective,
9 what the heck is going on and how to solve the various
10 different constraints.

11 How to solve for the optimal, really, on this is
12 something that takes resources, and it takes expertise, and
13 it takes a lot of people in the room over a consistently --
14 consistently over a significant time frame.

15 So, I just want to manifest my support for the
16 process and, you know, offer my help in the extent that I
17 can be utilized within the Bagley-Keene process. I tend to
18 focus more distributed, small-scale energy efficiency,
19 other aspects of these problems, but they are very much
20 related.

21 And so, you know, I think the DRECP process can
22 in some ways, in some important ways be a way for
23 California to show leadership, to demonstrate how to solve
24 difficult problems. And I support this item, so I'll
25 second.

1 COMMISSIONER DOUGLAS: We have a motion and a
2 second. All in favor?

3 (Ayes)

4 COMMISSIONER DOUGLAS: The item's approved
5 unanimously.

6 MR. MERRILL: Thank you.

7 COMMISSIONER DOUGLAS: Thank you.

8 All right, Item 6, *New Solar Homes Partnership*
9 *Guidebook*; possible adoption of proposed revisions to the
10 *New Solar Homes Partnership Guidebook*.

11 Let's see, Le-Quyen.

12 MS. NGUYEN: Good morning, Commissioners. My
13 name is Le-Quyen Nguyen and I'm the Program Lead for the
14 New Solar Homes Partnership Program.

15 With me I have Christa Salo from our Legal
16 Office.

17 The New Solar Homes Partnership Program, also
18 known as NSHP, began in January of 2007 and has the goal of
19 installing 400 megawatts of solar capacity by the end of
20 the program in 2016.

21 The program is designed to offer incentives to
22 builders and homeowners for the installation of eligible
23 solar energy systems on energy-efficient new residential
24 construction.

25 The proposed Guidebook revisions add program

1 requirements to allow for leases or power purchase
2 agreements, also known as PPAs, where the builder or
3 developer is the interim lessee or interim signatory to
4 that PPA.

5 The current Guidebook allows solar energy systems
6 that are leased by an end-use customer, or provide
7 electricity to an end-use customer through a PPA to qualify
8 for NSHP funding, provided that certain requirements are
9 met.

10 The proposed Guidebook revisions would add
11 program requirements that allow for leases or PPAs where
12 the builder or developer is an interim lessee or interim
13 signatory to that PPA, provided that -- provided pending
14 transfer of the lease or PPA to the homeowner as an end-use
15 customer.

16 Prior to claiming the NSHP incentive, the lease
17 or PPA would need to be transferred to the homeowner as the
18 end-use customer.

19 The revisions are being proposed to prevent
20 potential barriers to program participation.

21 The proposed revisions were publicly noticed by
22 the Energy Commission on March 29th, 2013 and errata to
23 those revisions that contain nonsubstantive changes were
24 publicly noticed on April 9th, 2013.

25 The errata to the proposed revisions ensure that

1 the program requirements are consistent throughout the
2 NSHP Guidebook.

3 These nonsubstantive changes are detailed in the
4 errata notice, of which there are copies located at the
5 front of Hearing Room A.

6 Staff is evaluating other issues regarding leased
7 systems and systems providing electricity through PPAs,
8 such as incentive levels and required cost documentation.

9 We do plan on addressing these issues as part of
10 a comprehensive Guidebook Workshop being planned for early
11 summer.

12 So, I would respectfully request your approval of
13 a resolution for the adoption of the proposed revisions to
14 the *New Solar Homes Partnership Guidebook* and the errata to
15 the proposed revisions.

16 At this time, if you have any questions, I'd be
17 happy to take any comments you may have.

18 COMMISSIONER DOUGLAS: Thank you very much.
19 Let's go to public comment and then we'll go to
20 Commissioners' comments and questions.

21 Valerie Winn, PG&E.

22 MS. WINN: Good morning, Commissioners. And
23 welcome, Commissioner Scott, looking forward to working
24 with you.

25 I'm Valerie Winn with Pacific Gas & Electric

1 Company and we wanted to offer some comments in support of
2 adoption of these Guidebook revisions.

3 And we also, I'm encourage to hear from Le-Quyen,
4 that there's discussion of a workshop coming up in early
5 summer. PG&E, and the other program administrators really
6 look forward to having that discussion. We've been talking
7 about having that for some time and I'm hopeful, now that
8 we have a full contingent of Commissioners, that some of
9 the work that has been stalled for a bit on the *New Solar*
10 *Homes Guidebook* will be able to be accelerated a bit.

11 We do think that there are opportunities for
12 additional streamlining that we have shared with staff, and
13 we'd really like to see that moved forward because that
14 will really ease a lot of the program administration
15 burdens. So, thank you very much.

16 COMMISSIONER DOUGLAS: And thank you, thanks for
17 being here.

18 Manuel Alvarez, Southern California Edison.

19 MR. ALVAREZ: Good morning, Commissioners. I'll
20 be brief. I'm here just to support your action today to
21 approve this Guidebook. And, once again, I think we look
22 forward to the discussion we're going to have this summer
23 about some of the changes that we may want to discuss.

24 There's been a lot of evolution, as you know, in
25 the Solar Program since '07, so it's probably time for us

1 to take a look at some of the changes, and take a look at
2 where the market's going and what activities are involved.
3 So, I ask for your support and approval of this Guidebook.
4 Thank you.

5 COMMISSIONER DOUGLAS: All right, thank you very
6 much, thanks for being here.

7 MR. ALVAREZ: And welcome to the new
8 Commissioner.

9 COMMISSIONER DOUGLAS: Great.
10 Ethan Sprague, Director of Business Development
11 at Sunrun.

12 MR. SPRAGUE: Good morning, Commissioners. I
13 work for Sunrun. It's the largest third-party provider of
14 residential lease systems and PPA systems in California.

15 We're in support of this and I appreciate the
16 availability and collaboration of stuff, and the Executive
17 Director, and Mr. McAllister's office in working through
18 these issues.

19 I think this is a good solution. The State has
20 embraced third-party provider ownership and consumers have
21 chosen it overwhelmingly in the State, particularly in the
22 retrofit context.

23 When it came to new homes, it's difficult to have
24 a -- well, sometimes there's not an end-user, not a
25 homeowner identified at the time the home is being built

1 and so this provides a solution where the builder can
2 enter into and reserve the rebate reservation until that
3 home is built, getting the benefits of building the system
4 with the home, until the homeowner is identified.

5 And this is a good business solution for us and
6 we appreciate working through these issues.

7 I'd also say it's good for the California
8 consumers, as leases generally are less costly and the
9 requirement in the program are stricter for lease and PPA
10 systems than they are for direct purchase. And so, there's
11 a production guarantee, and a showing of cost production,
12 vis-à-vis utility rates, that a lease provider will
13 generally make, and so there are more assurances to the
14 public that these funds are going to produce clean energy
15 and that the homeowner is going to receive value for the
16 system.

17 So, I just wanted to acknowledge my support and
18 gratitude to the work that's been done on this, and we look
19 forward to working together on the Guidebook revisions.
20 And it allows leases to compete on an equal opportunity
21 with those selling direct systems in the new home market,
22 which I think is a good thing. Thank you.

23 COMMISSIONER DOUGLAS: Thank you. Thanks for
24 your comments.

25 Dan Chia, SolarCity.

1 MR. CHIA: Thank you, Madam Chair,
2 Commissioners. SolarCity also strongly supports these
3 proposed revisions to the Guidebook. We think they, at
4 heart, recognize the role that third-party ownership is
5 playing in transforming the solar market, and increasing
6 accessibility of solar to the average homeowner.

7 So, we strongly support the changes. We've been
8 working very closely with your staff since last fall, when
9 this issue first arose, and appreciate the hard work that
10 staff, including legal staff, has put into helping us
11 develop an interim solution at that time, to allow us to
12 continue to participate in the program.

13 However, we've always maintained that a Guidebook
14 revision is our first priority and our strong preference to
15 simply make clear that builders can be interim leases for
16 the reasons that Ethan just discussed.

17 So, thank you very much for recognizing this need
18 and helping this program move forward very robustly.

19 We, like the other stakeholders, strongly look
20 forward to, very much look forward to upcoming workshops
21 and discussions regarding other Guidebook changes.

22 And so, thank you for your leadership on this
23 issue.

24 COMMISSIONER DOUGLAS: Thank you. Thanks for
25 being here.

1 Are there any other public comments in the room
2 or on the phone, on this item? I'm out of blue cards.
3 Okay, good.

4 So, with that, Commissioner McAllister.

5 COMMISSIONER MC ALLISTER: Thank you. And thanks
6 for the comments.

7 Oh, it sounds like Mr. Chia has something to --

8 MR. CHIA: Apologies. I got a quick note
9 earlier. Bob Raymer, with the California Building Industry
10 Association was unable to attend. He asked me to pass
11 along his support for the changes, as well, so --

12 COMMISSIONER MC ALLISTER: Thank you very much.

13 So, I'm -- since Commissioner Peterman has
14 departed I am -- have recently taken on the role of Lead
15 Commissioner on the NSHP. That makes a lot of sense given
16 that small-scale solar in this program really has a lot of
17 complementary -- it's nature's complementary of that of
18 energy efficiency, and many of the standards and other
19 processes, other areas that we work on. And, you know, is
20 actually quite different from larger-scale solar that tends
21 to be kind of a different animal.

22 So, I'm really excited to actually be taking on
23 this role because I think NSHP really complements the
24 existing building solar programs very well. It's a well-
25 conceived program.

1 I think we -- everyone knows the housing market
2 had some issues over the last few years and it's great to
3 see the housing market coming back. This is a really --
4 this is a very -- it's an extremely positive message,
5 actually.

6 The program didn't have the uptick that the
7 existing building program had, the CSI, the mainstream CSI
8 as we call it, for a few years because there really was no
9 housing market. And so I think it's great to see that
10 bouncing back and the fact that in this existing, in this
11 new housing market that's bouncing back the main builders
12 are really focusing on solar, and solar has a lot of
13 traction. There's a lot of leadership going on in this
14 realm. And that's a super positive message.

15 Our goal is to get more solar onto our building
16 stock, onto our homes and our businesses. And NSHP really
17 is showing that it has increased attraction and it's having
18 a big impact.

19 So, this particular change, I think the change
20 we're voting on today ensures that the NSHP allows various
21 third-party ownership models to apply for NSHP reservations
22 in a consistent manner. It's very important to have the
23 marketplace receive a message that consistency is being
24 applied broadly across the marketplace. We have to be
25 even-handed.

1 The program design, initially, seven years ago
2 or so, when the NSHP was designed, it really didn't
3 contemplate the evolution of the marketplace and it was
4 necessary to make this change to sort of bring it up to
5 date and adapt the program accordingly.

6 I want to note that the conditions under which
7 incentives will be paid have not changed and that all
8 reservations must continue to meet current requirements for
9 payment.

10 So, this particular change is a relatively minor
11 change to the reservation requirements, as I said, to adapt
12 to the changing marketplace.

13 So, at the same time, along with this small
14 change, I wanted to just indicate the Commission's plans,
15 the direction that we're going to go in the coming months.
16 And Le-Quyen brought up the fact that there's a workshop
17 upcoming this summer to open a Guidebook revision process.
18 I'm extremely supportive of that.

19 And, you know, I think we do need a hard revisit
20 to the NSHP program design. There's a growing bucket list
21 of things that need, again, to take place because the
22 marketplace is very different now than it was six or seven
23 years ago.

24 And, you know, we need to make sure that we're
25 going to have a program that responds to that marketplace.

1 So, to examine the various issues -- well, and
2 among the issues we're going to be looking at are improved
3 customer -- improving customer service, simplifying and
4 streamlining requirements and administration of the
5 program, making sure that the consumer protection aspects
6 are sound and up to date. All of those things are
7 fundamental to having a program that firms, and people, and
8 developers can actually participate in, in practice, and
9 that sends the right message to our marketplace, that
10 indicate that we're following our policy in a consistent
11 manner that's efficient with resources and effective.

12 So, I'm also very interested in maintaining open
13 and fluid communication with the marketplace. So, I think,
14 you know, stakeholder engagement through the workshops and
15 through the Guidebook revision process absolutely
16 essential. And, potentially, we'll be creating some other
17 forums for that to happen, obviously, all in the public
18 realm.

19 Previously, at the early stages of the program,
20 there was an NSHP Advisory Committee, and so we're sort of
21 considering how -- whether and how to revive that. That
22 might not be the solution, but I'm certainly considering it
23 strongly.

24 We want to make sure that we have all the
25 information necessary to update the program and bring it

1 into the modern solar marketplace in a way that makes
2 sense for customers and achieves our policy goals. So,
3 that's the overarching intention here. And I'm really
4 happy to now have the bandwidth to be able to -- the
5 assignment, first of all, and the bandwidth to be able to
6 take this on, and make sure that the program is relevant.

7 And, you know, now that we have a serious project
8 pipeline it's -- I think, you know, we're seeing some
9 stresses in the program design, and we're hearing that from
10 participants, and customers, and developers, solar
11 companies about the challenges of participating and we want
12 to make sure that we streamline the program appropriately
13 to achieve all of those goals.

14 So, I'm very excited about this. I think it's
15 time has come and we're going to get to it.

16 So, thank you very much to staff for all the work
17 on this change and, really, for the team effort that's
18 upcoming.

19 I would just note that Commissioner McAllister
20 first met, actually, on the New Solar Homes Advisory
21 Committee six or seven years ago. We were both a lot
22 better looking back then, I think, more hair.

23 A few observations; I think this is actually a
24 very significant moment. First of all, it's great to see
25 the utilities and the solar community agree, and I'd love

1 to see a lot more of that going forward.

2 But more, more important than that, we celebrate
3 and acknowledge, and focus on technology innovation in
4 renewables much more than other types of innovation. And I
5 think that, actually, in this case financial innovation, of
6 which the PPA and the lease are an example. It's actually
7 much more significant.

8 And if you recall, the birth of this program,
9 with the California Solar Initiative, the solar lease had
10 not been invented, yet. It was invented in part because of
11 the California Solar Initiative and the New Solar Homes
12 Program being out there, having that long-term, stable
13 incentive policy structure. That helped these companies,
14 you know, leverage the investment they needed to develop
15 these instruments, which are now driving the market.

16 And so, this is a success story, actually, both
17 from the point of the -- you know, good policy helping to
18 drive good innovation but, also, you know, at the time the
19 program was established there was zero percent uptick in
20 new construction with solar. It wasn't happening.

21 And now, today in California, one in five homes
22 being built has solar and, hopefully, that number's going
23 to keep creeping up.

24 So, what we're doing today, this kind of minor
25 course correction is exactly an example of what I, and I

1 think the rest of the Commission, really want to see a lot
2 more of, just staying very finely tuned to what the needs
3 of the market are and adjusting the program to keep the
4 momentum going.

5 And I really want to compliment Le-Quyen and your
6 team for being on this, and all the rest of the staff. And
7 I'm in full support.

8 COMMISSIONER DOUGLAS: Thank you.

9 Other questions or comments from Commissioners?
10 No. Do we have a motion?

11 COMMISSIONER MC ALLISTER: I will move Item
12 Number 6.

13 COMMISSIONER SCOTT: Second.

14 COMMISSIONER DOUGLAS: All in favor?

15 (Ayes)

16 COMMISSIONER DOUGLAS: The item's approved
17 unanimously. Thank you.

18 MS. NGUYEN: Thank you.

19 COMMISSIONER DOUGLAS: Item 7, UC Irvine,
20 possible approval of Amendment 1 to Contract 500-09-040
21 with the Regents of the University of California, on behalf
22 of the Advanced Power and Energy Program at the Irvine
23 Campus to add \$335,731 to the existing agreement amount,
24 extend the agreement by 12 months, and modify the terms and
25 conditions. Marla -- oh, you're not Marla.

1 MR. FRANCO: Good morning, Commissioners. My
2 name is Guido Franco. I'm the Team Lead for Environmental
3 Research in the Energy Commission's Research Division.

4 Today I'm here representing Marla. She had a
5 family emergency and she is not able to be here today.

6 We're requesting an amendment to an existing
7 contract that was designed to look at the air quality
8 implications of high penetration renewables. And the
9 amendment will add a second component that has to do with
10 the electrification of certain energy services.

11 Like, for example, increased penetration of
12 electric cars, you know, how that will affect the air
13 quality conditions.

14 The award was developed with input with different
15 groups, including Air Quality Management Districts, like
16 South Coast Air Quality Management District. And they are
17 interested in this work because they face a really big
18 challenge. They will have to reduce oxides of nitrogens by
19 80 percent from 2011's, by 2032, and by about 90 percent by
20 2032.

21 So, this is a huge challenge that they face. But
22 one option that seems to be attractive, both from an air
23 quality perspective and from a climate change perspective
24 is to de-carbonize the electricity system, including the
25 high penetration of renewables, and then the

1 electrification of energy services.

2 Again, an example is the increased penetration of
3 electric vehicles.

4 So, the research team will develop energy
5 scenarios, will increase electrification, and then develop
6 the tail emissions estimates with high temp and geographic
7 resolution, and then use that as a -- to estimate
8 emissions, NOx emissions, and that information will be fed
9 into a complex, three-dimensional, air quality model to
10 look into the air quality implications of these scenarios.

11 Marla's working with a policy committee that's
12 formed by the Air Resources Board, the South Coast Air
13 Quality Management District, the San Joaquin Air Pollution
14 Control District, the CPUC, the Center for Energy
15 Efficiency and Renewable Technologies, and electric
16 utilities, and also the personnel from the Electricity
17 Office here, in the Commission.

18 So, I think this is an exciting project. I hope
19 you approve this amendment. I'm ready to answer any
20 questions that you may have.

21 COMMISSIONER DOUGLAS: Thank you, Guido. This
22 certainly sounds like a very good project.

23 Let me ask Commissioners, any questions on this
24 item?

25 COMMISSIONER MC ALLISTER: So, the actual air

1 quality modeling, who's actually doing that? Is that the
2 Air District, itself, using existing tools, or is the
3 development of the air quality modeling tool also part of
4 this?

5 MR. FRANCO: No, they will be using existing tool
6 as a -- I think it's Cmax, but I'm not completely sure
7 about it. It will be UC Irvine that will be doing the
8 modeling work.

9 COMMISSIONER MC ALLISTER: So, we're
10 developing -- so, but with existing tools that the Air
11 Quality Districts presumably support or --

12 MR. FRANCO: Yeah, so it's a fully vetted model.
13 All the Air Districts, and ARB, and the USEPA are familiar
14 and they support this type of modeling.

15 COMMISSIONER MC ALLISTER: So, we're kind of --
16 we're funding the development of inputs to that model --

17 MR. FRANCO: Yes.

18 COMMISSIONER MC ALLISTER: -- that reflect the
19 evolution of the transportation fleet. Is that a fair
20 statement?

21 MR. FRANCO: Yes. Another, perhaps they will
22 may -- simulation of electrification of all energy
23 services. I don't know exactly what, but that's a
24 possibility, too.

25 COMMISSIONER MC ALLISTER: Okay. Well,

1 obviously, this sounds like a really very concrete and
2 potentially replicable project. And, really, you know,
3 again, it's a new aspect of the tradeoff between all the --
4 between the evolution and the electric system in response
5 to our policy goals that we're trying to mitigate any sort
6 of consequences of that, that might -- that really need
7 investigation to make sure that we're headed on the right
8 track globally. So, I think this is a very interesting
9 project.

10 COMMISSIONER SCOTT: When do you anticipate that
11 there would be results from the -- I know we have to build
12 the model, first, but when do we anticipate that there
13 might be some results for folks to see?

14 MR. FRANCO: The end of the contract is in March
15 31st, 2015, so like six months before there will be a draft
16 final report. And even before that, it will be preliminary
17 results that will be shared with the Policy Advisory
18 Committee to get their input on. Yeah, so there will be
19 preliminary results, I suppose, in the next year.

20 COMMISSIONER DOUGLAS: Great, thank you.

21 If there are no other questions or comments do we
22 have a motion?

23 COMMISSIONER SCOTT: So moved. I move on Item 7.

24 COMMISSIONER MC ALLISTER: And I'll second.

25 COMMISSIONER DOUGLAS: We have a motion and a

1 second.

2 All in favor?

3 (Ayes)

4 COMMISSIONER DOUGLAS: This item's approved
5 unanimously.

6 Item 8; the City of Visalia, possible approval of
7 Agreement 008-12-ECD with the City of Visalia, for a
8 \$500,000 loan to retrofit lighting controls for HVAC
9 projects.

10 Karen.

11 MS. PERRIN: Good morning, Commissioners. My
12 name is Karen Perrin and I'm with the Special Projects
13 Office, under Fuels and Transportation Division.

14 The next four items on the agenda are all
15 requests for loans under the ECAA Program, which is the
16 Energy Conservation Assistance Act.

17 And I'm going to provide a brief overview of the
18 program before my request for approval of the loans.

19 Under the Special Projects Office we have two key
20 energy efficiency programs, the Technical Assistance, as
21 well as the Energy Project Financing, known as ECAA.

22 Some quick facts and figures, since 1979 more
23 than \$299 million has been allocated to more than 790
24 recipients, up to March of 2013, with no defaults on the
25 principal.

1 Participating agencies have reduced their energy
2 costs by over \$26 million per year.

3 Under Technical Assistance we offer two programs,
4 the Energy Partnership Program, which is for local
5 governments, colleges, hospitals, special districts, public
6 care facilities, as well as the Bright School Program,
7 which we just saw a video on, and thank you to the Media
8 Department for that, which is for K-12 schools.

9 Technical assistance typically includes
10 comprehensive energy audits, project-specific feasibility
11 studies, et cetera. Most of the technical assistance is
12 available to applicants at no cost.

13 There have been over 529 participants, over \$5.5
14 million has gone out in technical assistance, and we
15 provide services up to \$20,000 of our consultants' costs.
16 The average annual utility bill savings is estimated about
17 10 to 15 percent savings.

18 ECAA is our low-interest loan program for local
19 governments, public schools, public hospitals, public care
20 facilities, and special districts.

21 The program is designed to help boost energy
22 efficiency in public facilities, and these efforts also
23 help the State meet essential energy goals.

24 Features of the energy project financing include
25 low-interest funding for energy savings, load-reducing

1 cogeneration and solar projects, one percent interest rate
2 loans.

3 Loans can fund up to \$3 million per application,
4 with no minimum. And the energy savings are used to repay
5 the loan.

6 The current ECAA status; fiscal year 2012 to
7 March 31st, 2013 the Commission has approved over \$24.4
8 million in loans. Currently, there are potential loans
9 amounting to over \$5.6 million that are in technical
10 review, or scheduled for approval in future Business
11 Meetings, including this Business Meeting.

12 The ECAA loan funds are currently over-
13 subscribed.

14 New loan applicants are added to a waiting list
15 for possible approval, as future loan funds become
16 available.

17 COMMISSIONER HOCHSCHILD: Sorry, Karen, how big
18 is the over-subscription, what's the backlog?

19 MS. PERRIN: Well, right now we have \$7.7 million
20 in the waiting.

21 COMMISSIONER HOCHSCHILD: Thank you, okay.

22 MS. PERRIN: New loan applicants are added to a
23 waiting list for possible approval as future loan funds
24 become available. Funding comes from loan repayments,
25 received twice per year, June and December.

1 To date, the waiting list has three applicants,
2 with a total of \$7.7 million in proposed projects.

3 At this Business Meeting staff is requesting
4 approval for four loans, amounting to \$4.4 million.

5 And if there are no questions, we'll proceed with
6 staff presentations for the four ECAA loan requests for
7 approval.

8 COMMISSIONER MC ALLISTER: Let's see, I guess --
9 so, thanks for that. I guess I'm wondering if the three
10 applicants really reflect the depth of interest out there
11 or if, really, the message from the Commission is, well, we
12 don't have any money so, you know, just hang out and we'll
13 let you know, and then you can apply. I mean, I imagine
14 that there's a lot more demand out there than just the
15 three that are on the waiting list, itself, but maybe you
16 can talk about that a little bit.

17 MS. PERRIN: Yeah, I think there is a lot of
18 demand and there is word out on the street that we are
19 over-subscribed, and that could be causing some of them to
20 hold back some other applications.

21 But I think that some of them are waiting to see
22 if we'll be getting some more funds. It's revolving loan
23 funds and so we do get loan infusions twice a year, and
24 they may be waiting to see if, you know, they can be on the
25 waiting list for future funds.

1 COMMISSIONER MC ALLISTER: Thank you. And I
2 also wanted to just take the opportunity to -- you know, I
3 was a little bit self-deprecatory, but that's all I said at
4 the end of the video before.

5 I think, really, I wanted to give a lot of credit
6 to the Media Department, and Adam, and Katie, and Grant,
7 and the team that put that together. Definitely did not
8 mean to be dismissive on that front.

9 It's a great tool for us. I think, you know, as
10 we develop more web-based resources and move into the
11 social media arena, it's really -- these resources are just
12 priceless. And, you know, I'm lucky enough to be able to
13 sort of be on the front end of the message but, really, it
14 reflects so much work on staff's part. And it's both the
15 program staff that you're representing here today, and the
16 Media Department on putting together the tools to get the
17 word out.

18 And I'm really happy to see that coordination and
19 just the concerted effort because we -- there's so many
20 things that we're doing here that people ought to know
21 about. And as we get the word out on them it just really,
22 I think, helps us reinforce our message and our ability to
23 do what we're supposed to be doing. I mean, we need the
24 support more broadly to -- increasing support more broadly
25 to continually be able to build what we do.

1 So, I wanted to make sure that I got that
2 message in.

3 And so, now, unless there are other comments --
4 okay.

5 COMMISSIONER DOUGLAS: All right, so let's go to
6 the presentations, starting with Item 8. Thank you. Thank
7 you for the overview.

8 MS. PERRIN: Okay, and so I'm Item 8 and 9.

9 COMMISSIONER DOUGLAS: Go ahead with 8, first.

10 MS. PERRIN: Yes. So, the City of Visalia is
11 seeking approval for an ECAA-funded, one percent loan, for
12 \$500,000 to retrofit energy measures at city facilities.

13 The projects include interior and exterior LED
14 lighting retrofits, sensors and controls, programmable
15 thermostats, and replace electric hot water booster with a
16 gas boost heater.

17 The City expects to receive \$29,000 in utility
18 rebates and incentives, from both San Diego Gas & Electric
19 and Southern California Gas.

20 The project will save approximately \$78,837
21 annually. And the simple payback is 6.3 years, based on
22 the CEC loan amount.

23 Staff is requesting approval on this loan.

24 COMMISSIONER DOUGLAS: Thank you. Questions or
25 comments?

1 Do we have a motion?

2 COMMISSIONER MC ALLISTER: I will move Item

3 Number 8.

4 COMMISSIONER HOCHSCHILD: Second.

5 COMMISSIONER DOUGLAS: All in favor?

6 (Ayes)

7 COMMISSIONER DOUGLAS: The item's approved

8 unanimously. Thank you.

9 MS. PERRIN: Thank you.

10 COMMISSIONER DOUGLAS: Item 9; Loma Prieta Joint

11 Union School District, possible approval of Agreement 010-

12 12-ECD with Loma Prieta Joint Union School District for an

13 \$85,000 loan to retrofit interior gymnasium lighting and

14 exterior lighting.

15 Go ahead, Karen.

16 MS. PERRIN: The Loma Prieta Joint Union School

17 District is seeking approval of an ECAA-funded, one percent

18 loan, for \$85,000 to retrofit lighting. The projects

19 include interior gymnasium, as well as exterior lighting

20 retrofits.

21 The District expects to receive \$4,800 in utility

22 rebates and incentives from PG&E. The project is expected

23 to save approximately \$6,838.81 annually, ECAA Program

24 funding, and the simple payback is 12.4 years based on the

25 loan amount.

1 COMMISSIONER MC ALLISTER: Could you remind us
2 what the payback sort of guidelines are for the ECAA
3 Program?

4 MS. PERRIN: So, the maximum amount of payback
5 requirement is 13 years. So, a project can fund a 13-year
6 maximum payback.

7 COMMISSIONER MC ALLISTER: Thank you. And I
8 would just point out that, you know, on both 8 and 9 these
9 are absolutely solid investments, that pretty much it's a
10 no-brainer to figure out what the -- definitely on lighting
11 and lighting controls, it's fairly straight forward to
12 calculate the savings. And I know that staff does
13 significant due diligence on the savings and what's
14 actually going to happen with these projects based on a lot
15 of previous experience with these technologies.

16 And on 8, as well, combining lighting, which is a
17 very high payback, with HVAC, which tends to have a little
18 bit longer payback, and it's more capital intensive, but
19 that's just good practice.

20 And so, I think having those sorts of
21 applications to -- and even so it's got a -- you know,
22 Number 8, which we're not on right now, but I'll note that
23 the payback is 6.3 years, so significantly less than 13.

24 So, I think, you know, as I dug into the program
25 and really got to understand it, I was very encouraged with

1 the level of oversight and the level of due diligence that
2 staff actually does on some of these projects -- on these
3 projects as part of the due diligence on the grants.

4 So, I'll -- with that, I'll move Item 9.

5 COMMISSIONER SCOTT: Seconded.

6 COMMISSIONER DOUGLAS: All right, we have a
7 motion and a second.

8 All in favor.

9 (Ayes)

10 MS. PERRIN: Thank you.

11 COMMISSIONER DOUGLAS: The item's approved
12 unanimously.

13 Thank you.

14 Item 10, Fairfield-Suisun Unified School
15 District; possible approval of Agreement 009-12-ECD with
16 Fairfield Suisun Unified School District for \$1,146,184
17 loan to retrofit lighting equipment and install controls on
18 portable classrooms.

19 Haile.

20 MR. BUCANEG: Good morning, Commissioners. My
21 name is Haile Bucaneg and I am with the Special Projects
22 Office.

23 Fairfield-Suisun Unified School District is
24 requesting a \$1,146,184 loan through the California Energy
25 Commission's ECAA Loan Program to install energy efficiency

67

1 measures in a number of sites throughout the District.

2 The energy efficiency measures being installed
3 include lighting retrofits and building control projects.

4 The lighting retrofits primarily consist of replacing
5 existing lamps with higher efficiency, 28 watt T-8 lamps.

6 These lighting projects will take place in
7 several schools in the District.

8 The controls project includes upgrading controls
9 of portable classrooms. These improved controls will allow
10 for better scheduling of equipment usage and allow for
11 integration with the site energy management systems.

12 The total energy savings for these projects are
13 approximately 644,000 kilowatt hours and 293 therms.

14 This will result in greenhouse gas reductions of
15 approximately 220 tons and annual energy cost savings of
16 approximately \$88,168.

17 The simple payback on the requested loan amount
18 will be 13 years.

19 At this time I would be happy to answer any
20 questions.

21 COMMISSIONER DOUGLAS: Thank you.

22 Questions or comments?

23 COMMISSIONER MC ALLISTER: Could you comment on
24 this particular project? It's aimed at portables, so just
25 what the School District is planning to do with those

1 portables, and maybe talk a little about that. You know,
2 investment in portables sort of implies that there's
3 something temporary going on here and I want to invite you
4 to talk about that.

5 MR. BUCANEG: Yes, the School District is
6 actually treating these portables and operating them as
7 permanent structures because of the cost of actually
8 putting up new permanent structures.

9 Additionally, the District has indicated that the
10 installation of the controls at these portable buildings
11 will allow the School District to include portable
12 classrooms in any future participation in demand response
13 programs.

14 So, the School District is actually considering
15 these portable classrooms for future operation plans.

16 COMMISSIONER MC ALLISTER: Thank you. And I
17 would just highlight, you know, our schools have been
18 suffering for so long and they're still, I think, for the
19 foreseeable future going to be very capital challenged.
20 And so, many of them, we just need to acknowledge that
21 they're in the situation where portables become their long-
22 term solution and we need to engage with that. That's the
23 reality out there in the world. So, I'm supportive of this
24 project.

25 So, I'll move Item 10.

1 COMMISSIONER SCOTT: Seconded.

2 COMMISSIONER DOUGLAS: All in favor?

3 (Ayes)

4 COMMISSIONER DOUGLAS: Item 10 is approved
5 unanimously. Thank you.

6 MR. BUCANEG: Thank you.

7 COMMISSIONER DOUGLAS: Item 11, City of
8 Pleasanton; possible approval of Agreement 011-12-ECD with
9 the City of Pleasanton for a \$2,755,000 loan, at one
10 percent interest, to install 7,590 energy-efficient street,
11 park and pathway lights at City facilities.
12 Shahid.

13 MR. CHAUDHRY: Good morning, Commissioners, I'm
14 Shahid Chaudhry with the Special Projects Office.

15 As my colleague Ms. Perrin, mentioned in her
16 introductory remarks, that today the staff is requesting
17 your approval for four loans under Energy Commission --
18 Energy Conservation Assistance Act Program, implementing
19 energy-efficiency projects by various applicants.

20 And this is the last loan approval request of the
21 series.

22 Today, I'm here to request your approval for a
23 loan of \$2,755,00 to the City of Pleasanton to implement
24 energy efficiency measures at City facilities.

25 The City will retrofit approximately 7,600

1 street, park, and pathway lights with energy-efficient LED
2 lights at various City-owned facilities.

3 On completion, the project will save the City
4 more than 2 million kilowatt hours a year, which will
5 correspond with \$286,000 annually.

6 In addition, the project will reduce about 690
7 tons of CO2 greenhouse gas emissions every year.

8 Using estimated annual cost savings, the simple
9 payback period is less than 10 years.

10 The City officials are very excited and look
11 forward to implementing this project with Energy Commission
12 support.

13 And to show their support to the ECAA Program,
14 the City representative is here in the audience.

15 The request complies with the requirements of the
16 ECAA program, so staff recommends and requests your
17 approval of this loan.

18 Thank you so much, Commissioners, again. And I'm
19 happy to answer any questions you may have.

20 COMMISSIONER DOUGLAS: Well, thank you. Well, if
21 we have a City representative in the audience, it would be
22 great if we could hear from you. And thank you for coming.

23 MS. RYAN: Thank you. I would just like to say
24 the City of Pleasanton is just very grateful for your
25 review of this project. We have already captured all of

1 our low-hanging fruit and grants are few and far between,
2 so this would really help us further our AB 32 goals, and
3 implement some measures that can really drive us toward
4 that goal.

5 COMMISSIONER DOUGLAS: Well, that's great.
6 Thanks for being here. Thanks for your interest in the
7 program and your leadership at the City level, and climate
8 goals.

9 I think, let's see, Commissioner Hochschild, a
10 question?

11 COMMISSIONER HOCHSCHILD: Yeah, just a quick
12 question. For your -- with respect to the outdoor
13 lighting, are you mostly replacing high-pressure sodium or
14 what -- is that what --

15 MS. RYAN: Yes. Most of them are 70-watt high-
16 pressure sodium, but we have all the way up to 400.

17 COMMISSIONER HOCHSCHILD: Wow.

18 MS. RYAN: And then we have 42 parks in our City,
19 so it would be the park lights, as well, some sports parks
20 and pathway lighting.

21 COMMISSIONER HOCHSCHILD: So, just out of
22 curiosity, how does the color rendition of LEDs compare to
23 high-pressure sodium?

24 MS. RYAN: It is very similar. We have had
25 lighting engineers come out and look at the throw of the

1 light patterns, and other options such as -- I don't know
2 if you've heard of the Rome System and dimmable control
3 systems. We've looked at everything.

4 We've actually installed pilot lights in
5 different areas of the City, so our City Council and
6 different people in the community can go look at them, and
7 see what they think about them, and which ones they like
8 better.

9 We have been doing beta projects for a year now,
10 so people can -- you know, which brand do they like? Which
11 ones are too bright and blinding? And which ones are
12 closest to what we have now?

13 The visual acuity is much better with the LEDs.
14 It's a truer, whiter light. It's not quite blue, but it's
15 not the orangey glow that we have now.

16 And it also helps with safety because you can
17 identify the color of cars, there's better facial
18 recognition with the LEDs. It's just -- it's truer light,
19 it's much nicer.

20 COMMISSIONER HOCHSCHILD: So, has the feedback
21 from the public been positive?

22 MS. RYAN: Very supportive, yes.

23 COMMISSIONER HOCHSCHILD: So, this is seen -- I
24 mean, in addition to the energy savings, the actually
25 quality of the light is generally regarded as superior?

1 MS. RYAN: Yes, much, much better. And it also
2 doesn't have the backwash that the high-pressure sodium
3 has, so it won't be shining in bedrooms, you know, and
4 residential areas, as well, but the throw pattern's much
5 better.

6 COMMISSIONER HOCHSCHILD: And what's the
7 estimated lifecycle?

8 MS. RYAN: It's beyond 25 years is what we're
9 getting from the manufacturers on their cut sheets.

10 COMMISSIONER HOCHSCHILD: Yeah, that sounds
11 right. Okay, thank you.

12 MS. RYAN: Thank you.

13 I'm sorry, I'm Laura Ryan, I'm the Manager of
14 Energy and Sustainability for the City of Pleasanton.

15 COMMISSIONER MC ALLISTER: That's great. Thank
16 you very much. I guess, yeah, high-pressure sodium has a
17 color rendition of zero.

18 So, you run the risk of -- when you walk out into
19 that huge -- you know, I don't know if there's a Disney
20 World in your area of the world but there's a big parking
21 lot, with lots of cars in it, and you have to know which
22 space you're in because you can't tell from the color.

23 And so, LEDs just have so many, so many
24 advantages all over the place, and the technology is
25 changing for the better every day. But we're definitely in

1 a place where the market is having a lot of uptick.

2 I have a question about your testing procedures
3 and sort of how you figured out what to install, because I
4 think a lot of cities have similar issues. You know, there
5 are literally, probably millions of street lights out there
6 across the State.

7 And I wonder if you were able to take advantage
8 of that kind of work that any other city has done, or if
9 there's a coordinating body, or kind of a crew of city
10 officials, energy and sustainability managers that get
11 together on these sorts of issues? I think I heard that
12 there is, and I know that the City of San Diego, and other
13 cities down south have done a lot of work, and done
14 collaborative multi-city projects to evaluate the options.

15 But I'm wondering, sort of, how your process
16 worked?

17 MS. RYAN: So, we've been working closely with
18 PG&E, and they have a Turnkey Street Light Program, and so
19 we have worked with people there. We have a very good
20 relationship with them.

21 And they are working with the Design Lighting
22 Consortium Group, which works with all of the utilities to
23 vet out the lights, and which ones are approved for
24 rebates.

25 They've done all their testing with them and they

1 know what they like. And so, we went from that list and
2 we worked with our local vendors to put up different types
3 of lights, and different -- I might have this wrong,
4 because I'm not that technical, but the "Calvin", the
5 coloring, you know, whether it's from 3,500 to 5,000, if
6 it's on an arterial versus a residential street. So, we
7 had myriad options that we put up throughout the City to
8 have people evaluate.

9 COMMISSIONER MC ALLISTER: And then you had,
10 presumably, some kind of process where you had people fill
11 out surveys --

12 MS. RYAN: Yeah, we had lighting engineers, yes,
13 we had a --

14 COMMISSIONER MC ALLISTER: -- or walk the streets
15 and get their reaction.

16 MS. RYAN: Yes.

17 COMMISSIONER MC ALLISTER: That's great. And it
18 really, I think, is helpful to have -- cities, like
19 schools, don't have infinite resources to do these sorts of
20 things and so I imagine that you availing yourselves of
21 other experience saved some money as well. So, anybody
22 else have any comments?

23 COMMISSIONER HOCHSCHILD: Just one -- I'm sorry,
24 one question I forgot to ask. What is the actual energy
25 reduction for comparably sized LED versus high-pressure

1 sodium? I mean, are you getting like a 25 reduction or --

2 MS. RYAN: Close to 50.

3 COMMISSIONER HOCHSCHILD: Closer to 50 percent,
4 really, that's great. That's great. Okay, thank you.

5 COMMISSIONER DOUGLAS: Well, thank you so much
6 for being here. As you see, we always -- you know, we like
7 to hear from people who come and especially hear from your
8 experiences.

9 You know, we often note that we move through some
10 of these items so quickly that it's hard to reflect the
11 amount of work that goes into these projects. And that's
12 true on our staff side, but that's very true on the city's
13 side for many of these ECAA loans.

14 And so, it's very helpful to us to hear about the
15 work that you did to put this together. So, thank you for
16 your good work and appreciate you being here today.

17 Do we have a motion on Item 11?

18 COMMISSIONER HOCHSCHILD: So moved.

19 COMMISSIONER MC ALLISTER: Second.

20 COMMISSIONER DOUGLAS: All in favor?

21 (Ayes)

22 COMMISSIONER DOUGLAS: The item's approved
23 unanimously. Thanks.

24 MR. CHAUDHRY: Thank you so much, Commissioners.

25 COMMISSIONER DOUGLAS: Thank you.

1 Item 12; Upland Unified School District,
2 possible approval of Agreement ARB-12-037 with Upland
3 Unified School District for a \$278,889 grant to update its
4 current compressed natural gas fueling station to meet the
5 fueling needs of the School District and allow the District
6 to expand its fleet of CNG vehicles.

7 Jared.

8 MR. CACHO: Good day, Commissioners. I'm Jared
9 Cacho from the Emerging Fuels and Technologies Office.
10 I'm here to ask approval for a grant to Upland
11 Unified School District to upgrade their compressed natural
12 gas or CNG fueling station.

13 Upland Unified School District is a K-12 School
14 District located in San Bernardino County, serving the
15 community of Upland, California, and it has a total
16 population of approximately 64,000.

17 The School District currently operates 19 school
18 buses, utilized for sports activities, field trips, and
19 student transportation. Three of these run on CNG.

20 By funding the upgrade of the District's CNG
21 fueling station, this grant will help to replace more of
22 the District's diesel fleet with CNG buses. The upgrade
23 will allow as many as 12 additional buses to be filled
24 overnight, potentially replacing about 150-diesel gallon
25 equivalents of fuel per day.

1 The District plans to acquire these 12
2 additional CNG buses over the next two years.

3 Aiding Upland School District to upgrade their
4 fueling station, allowing for more CNG buses, will help to
5 reduce emissions and improve air quality in the area, and
6 help the District to save costs on transportation for years
7 to come.

8 Staff requests the Commission support approval of
9 this project. Upland Unified School District sends their
10 regards and their thanks. They're very excited to expand
11 their use of alternative fuels.

12 And I'll be happy to take any questions or
13 comments you might have. Thank you for your consideration.

14 COMMISSIONER DOUGLAS: Thank you very much.
15 Questions or comments, Commissioners?

16 COMMISSIONER SCOTT: I have a question. So, you
17 mentioned that there would be -- it could do -- the fueling
18 station could fuel up to 12 additional buses. Will those
19 be replacement of old diesel buses or --

20 MR. CACHO: Yes.

21 COMMISSIONER SCOTT: So, they'll be cleaning the
22 fleet as they go.

23 MR. CACHO: Uh-hum.

24 COMMISSIONER DOUGLAS: Yeah, that's great. Maybe
25 on our behalf you could thank the Upland Unified School

1 District for their work to replace those old diesel buses
2 and advance the cause of alternative fuels.

3 Do we have a motion on this item?

4 COMMISSIONER SCOTT: I'll move the item.

5 COMMISSIONER MC ALLISTER: Second.

6 COMMISSIONER DOUGLAS: All in favor?

7 (Ayes)

8 COMMISSIONER DOUGLAS: Item 12 is approved
9 unanimously.

10 Thank you.

11 MR. CACHO: Thank you.

12 COMMISSIONER DOUGLAS: Item 13; Alternative Fuel
13 Vehicle Buy-Down Incentives, possible approval of a total
14 of \$400,000 in vehicle buy-down incentive reservations for
15 Greenkraft, Incorporated for the buy-down of 40 propane
16 vehicles.

17 Andre.

18 MR. FREEMAN: Good morning, Commissioners. My
19 name is Andre Freeman. I'm a staff member in the Fuels and
20 Transportation Division's Emerging Fuels and Technologies
21 Office.

22 Today, I'd like to present for your approval the
23 next batch of propane vehicle incentive reservations that
24 are funded through the Alternative Renewable Fuel and
25 Vehicle Technology Program, also known as the AB 118

1 Program.

2 As you know, the Energy Commission's Natural Gas
3 and Propane Vehicle Incentive Program is designed to
4 promote the purchase of alternative-fueled vehicles to help
5 replace the aging gasoline and diesel fleets here, in
6 California.

7 This program provides incentives for consumers to
8 adopt technologies which will reduce air pollution, reduce
9 petroleum usage in California, as well as boost the
10 economy.

11 This batch of reservations will provide
12 incentives for 40 medium-duty propane trucks that will
13 operate at least 90 percent of the time within California's
14 borders.

15 With that, I'd like to thank you for your
16 consideration of this item and I'm available for any
17 questions you may have.

18 COMMISSIONER HOCHSCHILD: Are the trucks that are
19 being replaced diesel or --

20 MR. FREEMAN: So, it varies. It's very specific
21 upon the purchaser of the vehicles. For the lighter-duty
22 side of propane we normally see gasoline vehicles being
23 replaced.

24 COMMISSIONER HOCHSCHILD: So in that instance,
25 where it's propane supplanting gasoline, what's the

1 environmental benefit?

2 MR. FREEMAN: It's very specific based on the
3 engine that will be in the vehicle that's being replaced.
4 Here, we have it broken out by weight class, depending if
5 it's a 5.4-liter engine, or a 6-liter engine, or what have
6 you, replacing the gasoline equivalent.

7 We actually did an analysis on this yesterday,
8 which I can provide to you, and we've also received some
9 information from the propane industry.

10 There are marginal benefits on the criteria
11 pollutant side. It really depends on the vehicle that's
12 being replaced, which we won't know in advance of the
13 incentive going out.

14 And there's also GHG emissions reductions for the
15 use of propane compared to gasoline and diesel.

16 COMMISSIONER HOCHSCHILD: Okay.

17 COMMISSIONER DOUGLAS: We have a couple
18 commenters in the audience on this item. I just want to
19 make a note. I've got three cards here. If your comments
20 on are on this item, specifically, then please come
21 forward.

22 If they're outside the scope of this item and
23 you'd like to speak on issues more generally, you might
24 want to use the public comment time, instead, but I'll
25 leave that up to you.

1 Lesley Garland, Western Propane Gas Association.
2 You'll use the public comment time, okay.
3 Jon VanBogart. Okay, he'll take the public
4 comment time.
5 And Eric Bates. The same, okay.
6 All right, so with that, then, we've heard the
7 item. Other questions or comments?
8 Okay, do we have a motion on this item?
9 COMMISSIONER SCOTT: I'll move this item.
10 COMMISSIONER MC ALLISTER: I'll second.
11 COMMISSIONER DOUGLAS: All in favor?
12 (Ayes)
13 COMMISSIONER DOUGLAS: The item's approved
14 unanimously.
15 MR. FREEMAN: Thank you.
16 COMMISSIONER DOUGLAS: Thank you.
17 So, let's see here, we're not quite to the public
18 comment, but we'll get there very quickly.
19 Item 14 is the Minutes; possible approval of the
20 march 20th, 2013 Business Meeting Minutes.
21 COMMISSIONER MC ALLISTER: I'll move Item 14.
22 COMMISSIONER HOCHSCHILD: I'll second.
23 COMMISSIONER SCOTT: And I abstain because I was
24 not here for that meeting.
25 COMMISSIONER DOUGLAS: All right, so all in

1 favor?

2 (Ayes)

3 COMMISSIONER DOUGLAS: Okay, so the Minutes are
4 approved, with Commissioner Scott abstaining.

5 Are there any Lead Commissioner or Presiding
6 Member reports?

7 COMMISSIONER HOCHSCHILD: I'll just share,
8 briefly, I took my staff, on Monday, along with several
9 folks from the Renewables Division to visit the wind
10 installation in Solano County. There's a gigawatt of wind
11 installed just 45 minutes away from here, and it was our
12 first visit to go see that.

13 And, you know, it's just remarkable to see. I
14 was struck by a couple of things. One is how well the
15 coexistence of agriculture works with wind. The turbines
16 are fairly densely, you know, sited, but they use only one
17 and a half percent of the available land, so you have 98
18 and a half percent available for -- in this case,
19 typically, it was sheep grazing.

20 They're pretty quiet. The turbines have no grown
21 in size so they're typically two megawatts, today.

22 The other technology developments of note were,
23 you know, we've moved away entirely from doing this lattice
24 structure with very, very high RPM which was done, you
25 know, in the nineties and eighties, to now a solid steel

1 column, with much lower RPMs.

2 So, it's something like 45 RPM down to 12 or 14
3 RPM. So, the significance of that for birds is that,
4 obviously, they're not -- there's no opportunity to perch
5 on the structure and the RPM is lower.

6 So, it was great to see that. I'm very grateful
7 to EDF for giving us the tour. I'm doing probably about
8 eight or ten site visits and tours in the next two months,
9 to similar installations, and it was a great thing to see.

10 COMMISSIONER DOUGLAS: That's great, thank you.

11 Other reports?

12 COMMISSIONER MC ALLISTER: I just wanted to
13 highlight something, actually, that's upcoming between now
14 and the next Business Meeting. Really, next week, there
15 are a couple, I think, interesting events that are worth
16 calling out because they're illustrative of a couple of
17 other important things.

18 So, next Thursday, the CPUC, our sister agency,
19 is having a "Thought Leaders" event about data and how we
20 can better use data to understand the impacts of policy and
21 to design better policy.

22 And there are a number of efforts in this realm
23 and I'm extremely excited about this in a number of
24 contexts, but particularly in the one that is related to
25 upgrading our existing buildings, under AB 758.

1 Information and creating knowledge from that
2 information is really extremely important for enabling what
3 is really a tough nut to crack, kind of enabling us to get
4 moving and really scale the existing upgrade marketplace.

5 So, I'm going to be presenting on the panel
6 there, along with UCLA, and a couple of other people. I
7 know the Governor's Office is very supportive of this.

8 And it's, I think, a good example of our agencies
9 working together, and coordinating tightly, and trying to
10 develop messages in concert, develop our planning in
11 concert on specific issues so that we're self-reinforcing,
12 so that we really are moving all in the same direction.

13 And I think this is an example of that. And the
14 PUC and President Peavey's Office have been very open to
15 the Energy Commission's engagement on this and, likewise,
16 we are with their staff and their commissioners.

17 So, I wanted to highlight that. It should be a
18 good discussion next Thursday afternoon.

19 And then, Friday, the L.A. Business Council is
20 having a Sustainability Forum, really focused on how to
21 help regulation and regulators, where the regulatory
22 environment and private business work together in more
23 synchronization, and I think that's a hugely important
24 thing to work on, as well, public/private partnerships.

25 There's a lot of, I think, need for improving and

1 expanding those in ways that make sense.

2 So, I'm participating, actually facilitating a
3 panel on that in the afternoon next Friday.

4 So, I wanted to just call those two things out
5 and I think they're just representative of the amount of
6 innovation and thinking that's going on across the State.
7 It's really a positive thing that I'm happy to promote,
8 certainly in the Energy Commission, as well.

9 COMMISSIONER DOUGLAS: Great, thank you.

10 All right, so if there are no other reports -- I
11 don't have a report. I actually got to take a vacation
12 about a week or so ago and it was great, but I'm not going
13 to report on it.

14 So, Chief Counsel's Report.

15 MR. LEVY: Good morning, Commissioners. And,
16 formally, I'd like to welcome Commissioner Scott. I'm
17 looking forward to working with you, as well.

18 Coincidentally, while I was on my vacation in
19 Washington D.C. last week, I was walking down the street
20 and bumped into Commissioner Boyd, which was a little bit
21 surprising to me and my family.

22 I'd like to take this opportunity, though, to
23 introduce you to our new Assistant Chief Counsel. Her name
24 is Rebecca Westmore. Rebecca, please.

25 Rebecca comes to us from the Office of

1 Administrative Hearings, at the Department of General
2 Services, as an Administrative Law Judge.

3 And before that she was the Lead Prosecution
4 Counsel in enforcement of the Bureau of the Department of
5 Insurance's Consumer Protection Division, and Lead Trial
6 Counsel in that capacity.

7 She was Vice-President and General Counsel of the
8 California Commercial Insurance Services Corporation, in
9 Stockton.

10 Also, she's had extensive experience in
11 litigation, as well, in Cooper and Stein, a private
12 practice law firm.

13 And she serves as a volunteer law judge -- excuse
14 me, a volunteer judge in the Sacramento Superior Court, as
15 well.

16 We're delighted to have her on board and I'd like
17 to commend her to you and welcome -- have you help me
18 welcome her to the Commission.

19 Her official start date was last week.

20 COMMISSIONER DOUGLAS: Well, thank you, Michael.

21 COMMISSIONER MC ALLISTER: Welcome.

22 COMMISSIONER DOUGLAS: And we join him in
23 welcoming you to the Commission. It's really great to have
24 you on board.

25 MR. LEVY: I'd like to say a couple more words,

1 as well. Rebecca will be leading up the House Counsel
2 Section of the Chief Counsel's Office. When you see Caryn
3 Holmes, please extend her a very hearty appreciation, as
4 well. She took over last year as Acting Assistant Chief
5 Counsel, at my request, and she's done a wonderful job
6 leading the Office, and that division of the Office, and
7 building bridges with our clients, with the other
8 divisions, as well, and streamlining processes.

9 She's delighted to be returning to a Staff
10 Counsel 4 position where she can make use of some much
11 needed vacation that she's wanted to take last year that
12 she forewent to fill that capacity.

13 So, please extend your appreciation to her, as
14 well.

15 COMMISSIONER DOUGLAS: Well, thank you. We'll
16 definitely do that.

17 MR. LEVY: Thank you.

18 COMMISSIONER DOUGLAS: Executive Director's
19 Report.

20 MR. OGLESBY: Well, other than publicly welcoming
21 our new Commissioner Scott, I have nothing to add.

22 COMMISSIONER DOUGLAS: All right, Public Adviser
23 Report.

24 MR. ROBERTS: Nothing to report.

25 COMMISSIONER DOUGLAS: Very good. Okay, so now

1 we're on to Item 19, which is public comment.

2 Lesley Garland.

3 We've put in the notice we'll have five minutes
4 or so for public comments. So, welcome, we'd love to hear
5 from you.

6 MR. GARLAND: And welcome, Commissioner Scott, as
7 well.

8 I just have some very brief remarks in regards to
9 the AB 118 Program and, specifically, the Propane Incentive
10 Program. And we're very grateful for the \$400,000 that you
11 approved this morning and we're always grateful for Andre,
12 and everyone who works on that team. They are some of the
13 most overworked and underpaid folks in the building, as far
14 as I'm concerned.

15 A few just concerns that we have; over the past
16 couple of years the program was slow in the beginning
17 because it was the first of its kind for the CEC staff and,
18 quite frankly, it was the first of its kind for our
19 industry.

20 But over the past six months we've been meeting
21 with staff because we had some fairly specific concerns
22 about bottlenecks as the program was designed. And we were
23 hoping that the program could be modified in a way to be a
24 little bit more efficient, both for the staff at the CEC,
25 and also for the dealers that are involved in the process

1 of selling the vehicles and getting the money out on the
2 street.

3 I respectfully request that the Commission
4 investigate how this program can be made more efficient.

5 In the most current draft of the 2013-14
6 Investment Plan propane doesn't receive any new incentive
7 funding because of what was called, in a direct quote, "As
8 comparatively slower demand for propane vehicle
9 incentives."

10 And we understood that and we felt that we didn't
11 deserve any additional money because we were still rolling
12 over money from previous plans.

13 However, in the next paragraph of the plan it
14 says, and this is again a direct quote, "Based on lessons
15 learned from previous years administering these vehicle
16 deployment incentives, the Energy Commission may consider
17 alternative methods of implementing its incentives."

18 So, with that in mind, I would just strongly
19 encourage that the Energy Commission take this on as a
20 project a little sooner, rather than later.

21 We're hoping that we can deploy these funds
22 quickly so that in the future we can prove that we deserve
23 additional funds in future plans.

24 So, thank you very much. We appreciate being a
25 partner with you guys and look forward to working with you

1 in the future.

2 COMMISSIONER DOUGLAS: Thank you for being here.

3 Jon VanBogart.

4 MR. VAN BOGART: Good afternoon and thank you for
5 the opportunity to speak here today.

6 I wanted to echo some of the comments that Lesley
7 had made about the 118, the Vehicle Incentive Program,
8 especially for propane.

9 I wanted to ask the Commission and staff to
10 seriously consider taking a look at revising that -- the
11 program so it's a little bit more user friendly.

12 With the caps and with the amount of dealers that
13 are in California, especially on school buses, sometimes
14 that's one dealer.

15 Currently, we have a pent-up demand for school
16 buses in that market, so I would like you guys to seriously
17 consider revising that program to make it a little bit
18 easier for folks to access that.

19 I also wanted to just point out a couple of
20 things about the propane industry that you may or may not
21 know. Here, in California, we contribute about \$3.5
22 billion to the California economy. Nationwide, it's about
23 \$46 billion to the economy.

24 We have employees and companies in every county
25 in the State of California and we're very proud of that as

1 a fuel.

2 We also, last year, produced about 9.2 billion
3 gallons of propane and about eight percent of that went
4 into engine fuel.

5 I believe that the 118 Program, on the heels of
6 10-07, is the most successful and progressive program in
7 the country, far beyond what DOE has done, and EPA, over
8 the years.

9 And it's been that because the program's been
10 very inclusive to include all the alternative fuels and
11 vehicle incentive -- or vehicle technologies. And I just
12 encourage the Commission to keep pace with that because it
13 is one of the best programs in the country.

14 Thank you for your time.

15 COMMISSIONER MC ALLISTER: I have a question.
16 So, you said about eight percent went into transportation
17 fuel --

18 MR. VAN BOGART: Engine fuel.

19 COMMISSIONER MC ALLISTER: Engine fuel, okay.

20 MR. VAN BOGART: So, it's on-road and off-road,
21 too.

22 COMMISSIONER MC ALLISTER: Interesting, okay.

23 MR. VAN BOGART: On-road a little bit less than
24 other engine fuel.

25 COMMISSIONER MC ALLISTER: Yeah, so I guess I'm

1 wondering sort of what that -- what that entire pie looks
2 like. Specifically, you know, so we have eight percent
3 there, and so the other 92 percent, how much of that, for
4 example, is sort of in homes that only have -- you know,
5 electric-only homes that have propane as a heating fuel,
6 and if you could maybe just describe that marketplace a
7 little bit?

8 It's something that's relevant as we look at the
9 existing home market and what energy sources go to them.
10 I'm sure staff knows a lot of this already, but as an
11 industry representative it would be nice to hear that from
12 you.

13 MR. VAN BOGART: Currently, propane services
14 about 400,000 homes in California. That's one part out of
15 the detail I didn't break out. I didn't know you would ask
16 that question.

17 COMMISSIONER MC ALLISTER: I'll give you the
18 heads up next time, you know.

19 MR. VAN BOGART: But propane, like natural gas,
20 is a heating fuel and that's the largest usage. But it
21 does break down that that's the number one.

22 And then you have a lot of commercial,
23 industrial, and agricultural use. Those are the big uses
24 for propane.

25 And in those industries, industrial engines, and

1 also in the agricultural sector you have a lot of pump
2 engines for irrigation, and frost protection, and things of
3 that nature. And propane's a fuel that's been around on
4 farms for years and years.

5 COMMISSIONER MC ALLISTER: Uh-hum.

6 MR. VAN BOGART: And so, that's another thing
7 about propane, the infrastructure's readily available and
8 easy to install.

9 COMMISSIONER MC ALLISTER: What's the sort of
10 regulatory environment for propane, particularly the
11 tank -- you know, the rural customer who's got a tank out
12 there, that gets refueled every so often, I'm sort of
13 wondering -- you know, it's not the same as, you know,
14 the -- you know, the investor-owned monopoly regulatory --
15 monopoly-regulated, you know, sort of system type of
16 utility, it's a delivery mechanism, right.

17 So, I'm kind of wondering what your hurdles are,
18 sort of what entities in the State regulate you and that
19 supply chain.

20 MR. VAN BOGART: As far as supply, or regulation
21 for homes, or commercial? I'm not sure where you're --

22 COMMISSIONER MC ALLISTER: Yeah, so the delivery
23 trucks that go out and deliver, and sort of safety issues,
24 and storage, and things like that for that market, who do
25 you have to deal with on a regular basis, I guess, at the

1 regulatory level?

2 MR. VAN BOGART: That would be something that
3 Lesley probably might want to address a little bit better
4 than I.

5 COMMISSIONER MC ALLISTER: Okay.

6 MR. VAN BOGART: I deal mainly on the motor fuel
7 side.

8 COMMISSIONER MC ALLISTER: Oh, okay.

9 MR. VAN BOGART: I haven't really been involved
10 in the residential or commercial side.

11 COMMISSIONER MC ALLISTER: Okay.

12 MR. VAN BOGART: So, that question would be above
13 my pay grade, as they say.

14 COMMISSIONER MC ALLISTER: Yeah, that was a
15 little out in left field, but it's nice to have industry
16 people in the room to talk about some of these issues.

17 As we talk about, you know, retrofitting
18 households, homes across the State for more -- homes and
19 businesses, really, across the State for more efficiency,
20 you know, fuel switching always comes up.

21 And so, you know, each kind of region is a little
22 bit different, some have natural gas distribution and many
23 don't.

24 Particularly in rural areas, you know, when you
25 talk about efficiency that's going to save electricity, and

1 maybe that sort of as a balloon, you push out over here
2 and something else happens over here, and there's some fuel
3 switching.

4 So, it would be kind of nice to have a little
5 better understanding of your perspective on those issues.

6 MR. VAN BOGART: And I think maybe the next
7 public comment, he's -- Eric has had a lot of history in
8 both markets, too, and he may be able to answer those
9 questions.

10 COMMISSIONER MC ALLISTER: Okay, great. Thank
11 you very much for being here.

12 COMMISSIONER DOUGLAS: Thank you.

13 So, Lesley, you stood up. Would you like to
14 answer the question or would you like to -- I mean, we'll
15 have -- we'll hear from Eric, as well.

16 MS. GARLAND: No, he can --

17 COMMISSIONER DOUGLAS: Why don't we do that.

18 COMMISSIONER MC ALLISTER: Why don't we just take
19 it up after the meeting; thank you.

20 COMMISSIONER DOUGLAS: Thank you.

21 Eric Bates.

22 MR. BATES: Good morning. Thank you for the
23 opportunity to speak to the Commissioners this morning.
24 And, also, thank you for approving that funding for the
25 propane vehicles, it's very much appreciated.

1 I've been in the propane business for over 20
2 years, and for about the last year and a half I've worked
3 for Ralph's Clean Tech, where we build a propane system, a
4 dedicated liquid injection system for the Ford fleet
5 lineup.

6 So, what you're doing here is very critical to
7 the future of propane auto gas, not only in the State of
8 California, but for the rest of the country because the
9 rest of the country looks at what California is doing, so
10 we appreciate that.

11 To answer your question a little bit on the
12 regulation, the propane industry is heavily regulated,
13 whether it be the drivers with the CDL, DOT on the trucks,
14 the National Fire Protection Association for installations,
15 whether it's a residential tank, an auto gas dispenser,
16 forklift cylinder storage.

17 OSHA in California regulates storage of propane.
18 Every city -- every jurisdiction, whether it's county,
19 city, State, permitting process, so there's a lot of hoops
20 and hurdles to do business in the propane world, so very
21 heavily regulated.

22 And as far as switching --

23 COMMISSIONER MC ALLISTER: Is there any
24 particular State entity that you spend a lot of time in
25 front of, you know, apart from the Commission, itself?

1 MR. BATES: Well, OSHA and then every local
2 jurisdiction, whether it's the City of L.A., the City of
3 San Bernardino when it comes to permitting to install a
4 tank.

5 COMMISSIONER MC ALLISTER: Okay.

6 MR. BATES: It would be every city planning and
7 zoning, fire department, electrical.

8 COMMISSIONER MC ALLISTER: Okay, great. Thank
9 you very much.

10 MR. BATES: You bet. And then as far as the
11 efficiencies you're talking about, switching fuels, you
12 know the volume of propane consumed in the country has
13 dropped the last four years. And some of it's
14 conservation, a lot of it's efficiency.

15 New appliances built for propane, whether it's a
16 tankless water heater, furnaces, a lot of those appliances
17 or that technology is advancing.

18 So, if you compare it against electric and other
19 fuel choices, propane is a good choice for heating your
20 home and lots of other things, as well.

21 But to get off the subject here, a couple of
22 notes on something you mentioned earlier. You asked about
23 emissions. I only brought a couple with me, be happy to
24 leave it with you. Propane's much cleaner than gasoline or
25 diesel.

1 We provide a -- actually an emissions calculator
2 on our website, we do that for our customers. Here's what
3 you're going to save on the green money side, here's what
4 you're going to save on the green emissions side. So, we
5 do an emissions calculator for them, so they can promote
6 that with their sustainability officer in the company,
7 their community. So, we actually show how they're reducing
8 their carbon footprint by going to propane.

9 So, Lesley touched on the CEC Program. You know,
10 I concur with what she's saying, if we can make that more
11 efficient. You know, our goals are the same as the CEC, we
12 want to reduce gasoline and diesel consumption in the State
13 of California, we want to help clean up the emissions. We
14 want to use a domestic fuel which drives and creates jobs
15 in our country, so using propane and natural gas, they're
16 both good for the State of California and the U.S. overall.

17 So, I want to just quickly kind of address the
18 demand side of that. There's a perception -- the feedback
19 I've gotten, there's a perception at the CEC that there's a
20 lack of demand for propane in the State of California.

21 There couldn't be anything further from the
22 truth. We've got customers lined up that would put
23 vehicles in here a hundred at a time if the access to the
24 money was a process that made sense for them through the
25 dealer program, the way it's set up.

1 So, my suggestion would be, I heard you mention
2 an advisory board when you were talking about solar and
3 some others. Maybe we have an alt fuel advisory board for
4 the State of California, with natural gas, propane, and
5 maybe discuss some of those issues, and how best to
6 implement the program, and what's going on with the
7 technology, what technology changes have taken place.

8 Because just this year we've introduced probably
9 four or five new platforms from last year on the heavy-duty
10 side, especially, F-650, F-550, F-450, the pickup trucks,
11 so there's going to be a lot more vehicles available.

12 Customers like Direct TV, Dish Network, Sears, U-
13 Haul, all of those companies are deploying vehicles on
14 propane in the State of California and the CEC funds is
15 helping drive that. So, we really appreciate it.

16 So, any questions I can answer for anybody?

17 I'll leave this with this gentleman here.

18 COMMISSIONER DOUGLAS: If you leave that with the
19 Public Adviser, he can get it to us. And thank you for
20 being here.

21 I just wanted to, you know, make a brief comment
22 on this item. First of all, we do have an advisory board
23 on AB 118. We've got an AB 118 Advisory Board. It will be
24 up to Commissioner Scott to determine whether any
25 additional advisory structure is going to be helpful to her

1 in carrying out her responsibilities, but we do have that
2 board.

3 And the other thing that I wanted to mention,
4 just briefly is, you know, I understand the interest in
5 program efficiency, and we do have an interest in program
6 efficiency.

7 We also have an interest and an opportunity right
8 now to work on and get at Commissioner Hochschild's
9 question on environmental benefits of the fuel.

10 And so, I know that you've submitted some
11 information to our staff, recently, and staff's looking at
12 it, and so thank you for providing that information. And I
13 think that that will be another iterative dialogue that
14 we'll be having with Commissioner Scott in the lead.

15 So, again, thank you for being here.

16 I don't know if there are any additional comments
17 on this item.

18 All right, so, you know, we appreciate your
19 interest and appreciate you attending the meeting.

20 So, did I miss the Public Adviser's report or --

21 MR. ROBERTS: I already --

22 COMMISSIONER DOUGLAS: You already said no
23 report. Okay, I saw you sit down and I thought, well,
24 maybe I had forgotten. Good.

25 All right, so with that we're adjourned. Okay.

1 I'm sorry, we're not adjourned. I'm really
2 sorry, I put this card to one side because it wasn't about
3 propane, and then I forgot to pick it up.

4 So, we're still here, we're still on the record,
5 we're still rolling. Paul Dyson, please.

6 MR. DYSON: Good afternoon, Madam Chairman and
7 Commissioners. Gosh, I'm right up against the lunch hour,
8 this is tough, huh.

9 Thank you very much for taking my comment today.
10 I'm new to speaking before this Commission and so this is
11 really by way of introduction of possibly a new topic for
12 you, and that is fleet of diesel-powered railroad
13 locomotives, especially those for passenger service.

14 Just by way of introduction, my name is Paul
15 Dyson. I'm the President of the Rail Passengers
16 Association of California. We're a 501(c)(3), all
17 volunteer, nonprofit group that attempts to promote the
18 improvement and expansion of passenger rail throughout the
19 State and in the western states.

20 I'm also Chairman of the Transportation
21 Commission for the City of Burbank, and I'll come to that
22 in a moment.

23 We have, in California, three State rail
24 corridors, some long-distance Amtrak trains, and four
25 commuter rail services, all of which use a petroleum-based

1 diesel fuel for their prime movers.

2 Most of these services involve a lot of stopping
3 and starting, serving multiple stations.

4 Candidly, in the 30 years that I've been involved
5 in promoting passenger rail, I thought we would have been a
6 lot further along in the electrification programs, but that
7 hasn't been the case.

8 And until the high-speed rail program develops
9 further, I anticipate that it will be at least two decades
10 before we see any significant electrification of the rest
11 of these suburban rail systems.

12 So, the question is what do we do next? Most of
13 these diesel locomotives date back to the expansion of
14 passenger rail, which started 25 -- 20, 25 years ago with
15 the Metro Link, the Coaster Systems, and so on.

16 And so, these locomotives, a lot of them are very
17 early generation, they're very polluting. And also,
18 they're not life expired, but they are in need of major
19 overhaul.

20 To me, this is crying out for some kind of hybrid
21 system. And what I've -- the gentleman here has
22 distributed to you today is an article from our magazine.
23 We put out this magazine six times a year, called *Steel*
24 *Wheels*, and there's an article in there from a company
25 called Energy Conversions regarding the use of -- or the

1 possibilities of CNG-hybrid locomotives.

2 I'm not an engineer. I'm not here to promote
3 that, I'm here to present it as being food for thought that
4 here's a possible alternative. Not only is it a fuel
5 alternative, an energy efficiency alternative, but also,
6 potentially, it's a clean air alternative. And it's
7 recycling because it's rebuilding the existing locomotives,
8 rather than building new ones.

9 As far as Burbank is concerned, we're very
10 constrained with transportation systems. We're at the
11 junction of the 5 and the 134. Energy consumption,
12 pollution are big issues for us.

13 We're also at the junction of two major rail
14 lines. We have, at the moment, 72 passenger trains that
15 stop and start in the city every day.

16 Again, it's crying out for a solution. We think
17 we need to look beyond the diesel locomotive.

18 Anything this agency can do to help promote this,
19 perhaps you can get your heads together with the AQMD,
20 jointly come up with something.

21 What I think it needs -- I'm an old operating guy
22 from the railroad business. What I think we need is to
23 build a couple of prototypes and see if the damn things
24 work. That's always the best -- the best approach, as far
25 as I'm concerned.

1 So, thank you for your time, appreciate the
2 opportunity to speak to you. If you have any questions,
3 I'd be glad to help field them.

4 COMMISSIONER MC ALLISTER: Just one, actually.
5 Is this at all treated in any of the proceedings related to
6 AB 32? Is it in the Scoping Plan anywhere? Has there been
7 any -- you know, ARB would be the agency to sort of start
8 with at the State level --

9 MR. DYSON: Right.

10 COMMISSIONER MC ALLISTER: -- you know, above the
11 AQMD. So, I'm just wondering if you've had -- what,
12 specifically, your --

13 MR. DYSON: As far as my group is concerned, as I
14 say, we're a small nonprofit group, this is the beginning
15 of the road. We will be talking to these other agencies
16 and I know various people in the industry have been
17 talking, but as far as we're concerned this is -- this is
18 the beginning.

19 COMMISSIONER MC ALLISTER: Okay. Certainly, the
20 cogs -- the Metropolitan Transit Authorities are, you know,
21 in control on a lot of this discussion, and appropriately
22 so. And, you know, I think that between them and the AQMD,
23 the multiple benefits sort of spread across their
24 jurisdictions a little bit for something like this.

25 But, you know, they are looking at solutions to

1 get cars off the road and increase public transportation,
2 make it more accessible to people and improve that
3 infrastructure. So, it seems it might be a good place to
4 go, to talk to them, as well.

5 COMMISSIONER DOUGLAS: Yeah, I agree with that.

6 I just wanted to say that while I had said I
7 wouldn't report on my vacation, you have prompted me to
8 note that we put our family on a train and went to Denver
9 on Amtrak, as one part of that vacation. So, I definitely
10 have a soft spot for rail travel.

11 But in any case, thanks for your work, thanks for
12 bringing this to our attention.

13 MR. DYSON: Okay, thank you.

14 COMMISSIONER DOUGLAS: All right, now, with that
15 we are now adjourned.

16 (Whereupon, at 12:13 p.m., the business
17 meeting was adjourned.)

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